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New York
INCORPORATED - 1872

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Countrywide, the safety movement is taking hold. Safety drives are being fostered in many communities through the local Chamber of Commerce, Rotary, Kiwanis and American Legion Post. It is but natural that the insurance man is looked to for help.

To enable our agents to cooperate and tie-in with local safety programs, we have produced the booklet "Drive Carefully" which while stressing safety also sells automobile insurance. Many communities are already using it in their safety drives.

"Drive Carefully" is an example of the type of advertising help provided by The America Fore Insurance and Indemnity Group for the use of its agents.

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THIS NEW EIGHT PAGE
DRAMATIC BOOKLET!

DRIVE
CAREFULLY

DO YOUR PART
TO AVOID
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AND SAVE LIVES

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COMPLETELY
AND SAVE DOLLARS

YOU CANNOT CONTROL
THE IRRESPONSIBLE DRIVER

PROVED BY THE ACID TEST OF TIME

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AMERICAN EAGLE FIRE INSURANCE COMPANY
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PUBLIC ENEMY

No 5
Sickness



The fear of serious or prolonged illness and its possible consequences is a NIGHTMARE that perpetually haunts the thoughts of the bread-winner responsible for the up-keep of the home. When despite our best efforts at prevention illness comes, the work and savings of a lifetime may vanish, while the DEMONS of worry and despair cruelly prod their victim. The worst sting of impaired health can be alleviated if in our days of health and vigor adequate INSURANCE has been provided to span the gap left by the inroads of sickness.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey - ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
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"The manner in which the Hartford people went out of their way to help me proves that a Hartford policy is *worth* more . . ."

from a letter written by a New Jersey assured regarding service rendered in the State of OHIO.



THE HARTFORD ACCIDENT
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48-STATE SERVICE

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The NATIONAL UNDERWRITER

Fortieth Year—No. 38

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 17, 1936

\$4.00 Per Year, 20 Cents a Copy

Urges a Section for Farm Agents

Ira D. Goss Asks National Association of Insurance Agents to Act

TAKEN UP AT IOWA RALLY

Address Made by Executive Special Agent D. C. Smith at the Michigan Association Gathering

Ira D. Goss of Chicago, manager of the farm department in the western office of the America Fore, a few months ago made a suggestion to the National Association of Insurance Agents that a special section be established, both in the national and state bodies, to include farm agents and those in rural towns all interested in farm insurance. Much interest is being shown in this suggestion.

At the annual meeting of the Michigan Association of Insurance Agents at Battle Creek, D. C. Smith of Chicago, executive special agent of the farm department of the America Fore, presented Mr. Goss' proposal there.

Farm Agent the Forgotten Man

At the meeting of the Iowa association at Davenport, President R. W. Forshay announced a special conference would be held at the close of the convention. He called on Mr. Goss who stated the purpose of the meeting. He said that the farm and rural agent is the "forgotten man" in agency association circles. Some state bodies have farm committees but with the exception of Kansas he said that no state association to his knowledge had planned any special features for the rural agent as part of the program. For this reason alone, the rural agent is not interested in the state associations and conventions. If there were a forum where his special problems would be discussed Mr. Goss said that he would attend and become a member.

Would Strengthen Agency Organization

Mr. Goss took the position that a movement of this kind would add great strength to the agency organization giving it universal rather than a parochial appeal and would make it an activity of all agents, by all agents and for all agents. He predicted that if the National Association of Insurance Agents would sponsor this movement it would make it the united front and mouthpiece of the American agency system.

Mr. Goss referred to the farm and rural agent as one in great need of a defensive and offensive organization. If the present organized movement does not include the farm people, then he advocated the establishment of a new

(CONTINUED ON PAGE 14)

A. F. Powrie's Comments on the Commission Issue

HERSHEY, PA., Sept. 16.—Regulation and control of commission allowances is the all-important objective at this time, A. F. Powrie, western manager of the Fire Association, asserted in his presidential address before the mid-year meeting here of the Western Underwriters Association.

Aside from reference to the study being made of "how better to adapt rating methods to modern requirements," Mr. Powrie's address treated almost exclusively the commission question.

Brokerage Situation

He analyzed the brokerage situation, saying that a condition had developed whereunder a company must pay to large brokers commission at least 5 percent greater than that allowed local agents in order to get any business from such operators.

Rates, Mr. Powrie observed, have been largely stabilized through state control and have been so reduced that "much of the pressure heretofore exerted against premium charges" has been released. Instead, he declared, the strain is now felt in connection with commissions.

If the authorized commissions are too low, he said with an ironical touch, and if the obligations of the W. U. A. are too strict, then, for the members to be fair with each other, the commissions should be officially increased and the rules modified.

At Fork of Roads

"I think," he declared, "we have gone about as far as we can with our individualistic operations within the form and under the cloak of organization, and that we are now at the fork of the road where we must decide whether we will take the path that leads to self-sacrifice, organized discipline and genuinely protective measures in behalf of the business as a whole and for the common good of all, or whether we shall cut all the restraints and free each member to seek his individual destiny."

Mr. Powrie concluded by repeating that portion of the W. U. A. articles of agreement which sets out that the obligations of the member shall be based upon his personal honor, integrity, good faith, etc.

Mr. Powrie, in speaking of commissions and brokerage, said:

"Our legislation on brokerage undertakes to go no farther than to provide, in effect, that brokerage shall not be additional to authorized commissions. In other words, we have never undertaken to regulate the division of the authorized commissions between agent and broker.

Now Important Factor

The steadily increasing volume of premiums controlled by brokers or brokerage offices as distinguished from agents and agency offices is making the question of brokerage an important factor in company receipts.

"Non-organization companies provide a broad market for brokerage lines with the result, in so far as association companies are concerned, of creating a strong buyers' market for the desirable broker-controlled business. The effect of

this situation leads to the payment to brokers of more commissions on a large body of business than would have been allowed had the same business been offered through strictly agency channels. That many association companies are permitting these extra allowances is admitted, and the untenable situation is created whereby business is being written over the heads of our resident agents and commanding a preferential commission allowance. Company offices which will not pay to large brokerage organizations at least 5 percent over authorized agency commissions are being denied participation in a large volume of premiums arising from highly attractive risks.

Unfinished Business

"This is a long standing item of unfinished business, and the question is how much longer this association can evade the issue.

"Stabilization of commissions is coming to be quite as difficult and subject to fully as many evasions and subterfuges as apply to brokerage. The more or less stabilization of rate charges by statutory requirements and the supervising officers in most of the states in our jurisdiction together with a continuing lowering of the rate levels has operated to divert much of the pressure heretofore exerted against premium charges and transferred the strain to compensation for the business, until the major threat of demoralization is in commission practices rather than rate concessions.

Problem of "Alien" Forces

"The crucial problems that confronted this organization in the early and middle years of its existence were very largely problems involving defense of our members against forces alien to the membership. At least the attacks that were made on the organization from the outside were frequent and severe enough to keep the ideals of common purpose active and dominant in the organization.

"The stress in those times was distributed over both rates and commissions. The pressure now on rates, particularly in so far as it comes from the outside, partakes more of a disorganized, leaderless guerrilla warfare, striking here and there to the hurt of individual interests. It is impossible to fully protect the frontiers of \$275,000,000 of premium income in W. U. A. territory against

(CONTINUED ON PAGE 14)

Special Inserts for Iowa and Michigan Meetings

Complete reports are given in this issue on the annual meetings of the Iowa Association of Insurance Agents and Michigan Association of Insurance Agents. A special Iowa insert starts on page 40 and the Michigan insert begins on page 35.

W. U. A. Studies Police Power Plan

Commission Regulation Project
Debated at Mid-Year Meeting in Hershey, Pa.

VIEW ST. LOUIS STATUS

Chairman Street of Subscribers Actuarial Committee Gives Hint of Retiring From That Post

By LEVERING CARTWRIGHT

HERSHEY, PA., Sept. 16.—Action on the most important questions which members of the Western Underwriters Association in their mid-year meeting here undertook to face, was not taken until the concluding session this morning. Much real labor preceded the vote. For more than five hours yesterday afternoon the committee on order of business held forth in an attempt to draft an acceptable resolution to give the governing committee a measure of police power in connection with payment of commissions on automobile, hail, farm explosion and forms of business other than straight fire and tornado.

Important Resolution Adopted

An important resolution which was presented by the committee on order of business, R. D. Safford, Travelers Fire, chairman, was adopted unanimously at the closing session. In effect it places the moral support of W. U. A. behind the rules and commission allowance setup of supervisory organizations in the auto, farm, explosion, hail and other fields without in any way having W. U. A. assume jurisdiction over those lines. It is modeled somewhat after a provision in the constitution and by-laws of the E. U. A. In the preamble the resolution observes that W. U. A. primarily has jurisdiction in fire and tornado matters, but that W. U. A. members are getting collateral or subsidiary business from fire and tornado agencies. The resolution then provides, as mandatory, that the writing of such collateral or subsidiary lines for account of a W. U. A. company or companies in contravention of the rules and commissions of the recognized associations governing such classes, whereby the company is benefited improperly, shall be regarded as unfriendly conduct and the offender shall be subject to penalty.

Statement of Committee

The memorial also gives the governing committee specific authority to inquire of any member regarding his observance of the rules and commissions of the other organizations and the member is obliged to disclose detailed information in response to the inquiry. There is no reference to specific collateral lines, but there were no reservations and inland marine was undoubtedly comprehended.

In presenting the resolution, the committee on order of business said: "The president's address together with the governing committee report has covered

(CONTINUED ON PAGE 16)

Burton Now Heads Colorado Agents

Succeeds Frank England, Jr., as President at Annual Convention in Denver

OTHER OFFICERS ELECTED

Agents Qualification Law Supported; Action Urged on Reclaiming Auto Business for Local Agent

DENVER, Sept. 16.—Reeve Burton, Colorado Springs, first president of the Colorado Association of Insurance Agents, was returned to the head position to succeed Frank England, Jr., at the close of the two-day convention of the association here, acclaimed one of the best meetings in the group's six years of organization. A. P. Miller, Denver, was elected vice-president; W. Rex Kerr, Denver, second vice-president; Winfred Haigler, Colorado Springs, secretary, and Frank Cotten, Pueblo, treasurer.

New directors were elected as follows: Hal Van Gilder, Denver; Dan Hampton, Colorado Springs; L. H. Dardorff, Fort Morgan; John H. Reece, Pueblo; Frank England, Jr., Denver.

Definite support of a new stringent qualification law to be introduced in the coming legislature with the organized effort of every member to get its passage was one of the chief accomplishments of the session. In addition, the group went on record favoring appointment of a state committee to consider and put into effect ways and means of reclaiming automobile business for the local agent.

Harris Gives Talk

This action was prompted by the spirited address of James M. Harris, Colorado state agent for the North America, who presented his company's successful method of reclaiming the automobile business and urged agents to "solicit and solicit some more," and cooperate with the banks in car financing.

He presented statistics obtained from a questionnaire sent to 400 banks in the middle west, of which 204 answered. The conclusion drawn from the report is that individual banks want more of these small loans on autos, he said. Repayments were satisfactory, 99.5 percent of the banks replied to one of the 15 questions; there was only one repossession to every 219 loans; only one loan in 1,311 developed a loss as result of repossession; 85.3 percent of the banks had definite standards for loans; 95.6 percent of the answers indicated that banks were not criticized for rejection of loans; 51.1 percent of the banks used no publicity, and the business secured per bank varied so widely that no definite pattern could be formed on this question.

A. B. Dunbar on Program

Another highlight of the convention was the address of Arthur B. Dunbar, Omaha local agent, who represented the National association as a member of the executive committee. He praised the Colorado association for its progress and aggressiveness.

"Unless we change our methods, I believe we shall find ourselves going to the legislative halls to battle adverse legislation, rather than to suggest helpful ideas for our business," he declared. He urged organization, "cooperative business life," as a road to success.

He mentioned the accomplishments of the National association, born in Denver when Robert S. Brannen of a Den-

(CONTINUED ON PAGE 43)

Hershey, the Chocolate Town—W.U.A. Meeting Place

By MRS. LEVERING CARTWRIGHT

HERSHEY, PA., Sept. 16.—What is this place that the Western Underwriters Association has appropriated for its fall, mid-year meetings—the place that Assistant Secretary Harry W. Chesley discovered last year and sold to the members sight unseen, with the result that they are back here again this week and are likely to return for years to come?

It is a place now pretty well advertised throughout eastern Pennsylvania, New Jersey and other parts of the east, but one which was not known to the west—at least the fire insurance west—until Columbus Chesley came upon it in one of his inquisitive tours.

Mr. Stoddart, who is characterized by the bell captain as the "man to see" for

information about Hershey, being out of town, this correspondent took a comprehensive look, read the handsome "brochure" and herewith proceeds to tell you what this place is:

Surrounded by the low foothills of the Blue Ridge mountains, Hershey lies in wide quiet Lebanon valley, a model community in a model setting. Situated on the main line of the Reading railroad and on Benjamin Franklin highway, 14 miles east of Harrisburg, Pennsylvania's state capital, Hershey was a cornfield in 1903, when M. S. Hershey came back to the place of his birth and began the manufacture of chocolate products. Today it is a modern city of several thousand people, dominated

(CONTINUED ON PAGE 32)

THE WEEK IN INSURANCE

Semi-annual meeting of the Western Underwriters Association was held this week at Hershey, Pa.

Page 3

A. F. Powrie, in presidential address at mid-year meeting of Western Underwriters Association, dwells almost exclusively on the commission problem.

Page 3

Movement suggested by Ira D. Goss, manager of the farm department of the America Fore group at Chicago, to establish farm sections in the National and state association of insurance agents is gaining in momentum.

Page 3

Some of the interesting features of Hershey, Pa., where the Western Underwriters Association met this week.

Page 4

Organized agents must meet consumer-co-ops in frontal attack, Chairman W. Owen Wilson of National Association of Insurance Agents executive committee tells Michigan agents at annual meeting in Battle Creek.

Page 10

Reeve Burton elected president of the Colorado Association of Insurance Agents at its annual meeting at Denver.

Page 4

C. R. Street reports for the committee on cooperation in loss adjustment practices at the meeting of the Western Underwriters Association.

Page 5

Speculation is rife in the S. E. U. A. territory as to the effect of the Pearl's refusal to sign rate agreement.

Page 24

New Mexico Agents Association takes action at annual meeting in Albuquerque to secure qualification law; reelects Postelle Cooper as president.

Page 6

Philip W. Collins, Chicago local agent, presents linking him up with the political insurance patronage issue in Illinois.

Page 4

Stock fire insurance can be thoroughly justified and defended by agents, Manager Kulp of Mountain States Inspection Bureau tells New Mexico agents at annual meeting in Albuquerque.

Page 6

Western branch of the National Automobile Underwriters Association and the Chicago Automobile Superintendents Club begin a study of the automobile trailer situation.

Page 6

A. B. Dunbar of Omaha, member of the executive committee of the National Association of Insurance Agents, spoke before the New Mexico association on "Takers and Givers."

Page 8

Speakers announced for annual meeting of National Association of Mutual Insurance Agents.

Page 15

The **Excelsior of Syracuse** called in to the head office a limited number of girls from various agencies to attend a conference.

Page 8

Positive approach of selling stock insurance in competition urged by Assistant Secretary Ellis of Fireman's Fund at New Mexico agents' convention.

Page 5

Automotive Investment Corporation is organized to finance automobile premiums for the American States.

Page 31

Collins Puts on His Regimentals

Chicago Agent Resents Criticism of His Methods in Political Fight

TELLS HIS OWN STORY

Declares That as a Republican He Presented a Business-like Program to the Democratic Auditor

The political pot in Illinois so far as insurance is concerned continues at the boiling point as this week Philip W. Collins, class 1 agent of the Chicago Board, located in the Insurance Exchange, comes out with a broadside declaring that he has been unnecessarily and maliciously maligned in the controversy that has arisen over the political issue. The parade started when a committee was formed, establishing offices in the Insurance Exchange to promote the candidacy of C. Wayland Brooks for governor on the Republican ticket. C. H. Burras of Joyce & Co., is chairman of the committee; Alvin S. Keys of Springfield, vice-chairman; Gail Reed, well known Chicago broker, executive secretary, and George W. Blossom, Jr. of Fred S. James & Co., treasurer. This committee has interested a number of insurance men throughout the state and has called to the colors leaders in the field.

Insurance Patronage Up

The main issue is that the so-called insurance patronage that comes through the state administration, is given out on the plum plan. Candidate Brooks has assured the committee that if he is elected he would not allow any political pressure to be used and that the insurance, therefore, would rest with those local agents where it rightfully belongs. Other candidates on the Republican ticket made similar pledges to the Burras committee. This made a great appeal to agents.

Ernest Palmer Group

Another group started headquarters in the Insurance Exchange, headed by Roy L. Davis of Chicago, promoting in a non-partisan way, the interests of Ernest Palmer, state director of insurance, declaring that on his record he deserves to be continued in office and the only way to bring it about is to elect Governor Horner.

The so-called Burras committee that is sounding the Brooks' tocsin point out as a horrible example the manner in which the insurance patronage is given by the Democratic machine to the agency of Horan & O'Brien. In the attack Philip W. Collins was mentioned as the beneficiary of the political system and used as an example of the unsatisfactory spoils method.

Demands an Investigation

The attack on Mr. Collins has brought him to the fore and this week he announced that he had asked the investigating committee of the Chicago Board to go through his books and see whether there are any irregularities whatever in his insurance transactions. He resents the insinuation that he is in any way connected with insurance political patronage. He states that this would be an impossible situation as he is a staunch Republican and has in no way been connected with the Democratic party. Therefore, the Democratic machine would certainly not pick him out for any favors.

Mr. Collins is a personal friend of (CONTINUED ON PAGE 56)

Insurance Ad Men Meet at Rye, N. Y.

Prominent Speakers and Committee Reports Feature Convention of Conference

STRESS VIEWS OF BUYERS

Delegates Told Technique Must Be Improved and Public Must Be Sold on Service

NEW OFFICERS ELECTED

President—Arthur A. Fisk, Prudential.

Vice-president—Ray C. Dreher, Boston and Old Colony.

Secretary-treasurer—Arthur H. Reddall, Equitable Life.

Executive Committee—David C. Gibson, Maryland Casualty; W. Leslie Lewis, Agricultural; C. J. Fitzpatrick, United States Fidelity & Guaranty; Harold E. Taylor, American of Newark; Clarence A. Palmer, North America; ex-officio, R. C. Dreher and A. H. Reddall.

BY DOROTHY B. PAUL

RYE, N. Y., Sept. 16.—Clarence A. Palmer of the North America, president of the Insurance Advertising Conference, welcomed delegates to the annual meeting of the organization held at the Westchester Country Club here. The business session followed with reports of the secretary-treasurer, A. H. Reddall, Equitable Life of New York, and the committee chairmen: Membership, J. W. Mason, London Assurance; frontier safety, R. G. Richards, Atlantic Life; standards of practice, H. H. Putnam, John Hancock. Mr. Putnam's report revealed a lessening of the activities of unlicensed companies using the mails and commented on the fact that many insurance commissioners are lending their support by warning the general public against "mail order" insurance.

Viewpoint of the Buyer

J. A. Robinson, insurance manager of McKesson & Robbins, speaking on the buyer's appraisal of insurance advertising, advocated a new method of attack and a new philosophy in insurance advertising. The major task of insurance advertising, he said, is to concern itself in a concerted educational capacity to acquaint the public with the advantages and usefulness of insurance services. Too much time, money and effort, he pointed out, are expended on expounding a company's financial position or in attacking other types of insurance systems. Companies should make a greater effort to educate the public with regard to its contracts, what insurance can do and how it can be utilized, and the general character of insurance. Likewise, the advertising director should know whether his company is equipped to do well for the policyholder the things he promises in his ads. He should interest himself in the scope of the coverage offered prospects, not only as to what it consists of, but how it should be expanded and refined to make it more attractive and valuable.

Scientific Test of Copy

Such matters as claim settlement procedure and state and federal restrictions on the entire insurance business should be told to the public, he said, in order to secure its good will and create a better understanding of the nature of the business. He warned that if the

(CONTINUED ON PAGE 18)

Positive Competition Slant Urged by Company Officer

ELLIS SAYS BOOST STOCK

Fireman's Fund Assistant Secretary Talks to New Mexico Agents at Albuquerque Rally

Positive and not negative approach in competition was urged by R. L. Ellis, assistant secretary Fireman's Fund group, at the annual meeting of the New Mexico Association of Insurance Agents in Albuquerque this week. He said stock company agents should devote more effort to presenting affirmatively the advantages of their own contracts and less to disparaging remarks about competitors.

It is, however, he said, incumbent upon agents to educate the insuring public concerning differences between various kinds of insurance, and especially the strength of stock insurance as compared with weaknesses inherent in brands hawked about to insurance bargain-hunters; and also to convince the insuring public of the value of local agency service.

"Justify your position by giving to your clients a service that will convince them of its excellence and worth and they will realize that they cannot get along without it. This is one of the surest ways to stabilize your business and minimize the competition of cut-rate companies," Mr. Ellis urged.

Agents' Function Important

He discussed, "How Stock Companies Are Cooperating with Agents in Meeting Competition." He said the agent's business can be only as substantial and lasting as the strength, permanence and stability of the companies he represents. The agent is, he said, a part of the management of the companies and contributes to or detracts from their character and reputation by the manner in which he handles the affairs of his companies and the judgment he uses in selection of risks.

Mr. Ellis told of the work of organization companies, individually and collectively, through national and regional associations; of the large sums spent to impress on the public mind the real worth of their protection and promote conservation of economic values, of sales resistance overcome for agents by organization of public relations departments; of the many sales aids furnished agents by companies.

Defends Company Organizations

Some agents, he said, may become irritated over action or lack of action by the company organizations, but unconsciously fail to concede that they are operated for common good over a long range program; that they protect against unregulated competition and rate wars, chaos and instability. They make adequate provision for orderly adjustment of rates as experience warrants.

Stock companies operating "without the fold," he said, are riding in an automobile paid for by others, they are management's unappreciative beneficiaries of the brains of others, and are "parasites at the table of the provident." Because of abnormally low loss ratio in the last several years, this type of competition has become particularly acute.

Price Competition Destructive

Some insurance men have allowed themselves to become stampeded by price competition, he said. They have lost sight of sound fundamentals and attempt to meet price competition with price, which won't work, Mr. Ellis said. Standard insurance cannot be sold at cut-rates and long retain its quality because there are only 100 cents in the dollar.

The Business Development Office is a powerful instrumentality to assist

At the Helm



A. F. POWRIE, Chicago

A. F. Powrie of Chicago, western manager Fire Association group, had his initial experience this week in presiding over a meeting of the Western Underwriters Association, having been elected to the exalted office of president last April. The semi-annual meeting was held this week at Hershey, Pa.

St. Paul Out After National Association 1937 Meeting

ST. PAUL, Sept. 17.—St. Paul wants the 1937 convention of the National Association of Insurance Agents and will send a strong delegation to Pittsburgh in an effort to land it. After a lengthy discussion at its annual meeting St. Paul Exchange voted unanimously to invite the association to this city next fall. George Radcliffe laid the proposal before the exchange meeting and he was backed up by S. C. Aldridge, retiring president.

Clyde B. Helm, secretary of the Insurance Federation of Minnesota, and P. H. Ware, secretary-manager of the Minneapolis Underwriters Association, pledged the support of their organizations to make the convention a success if brought to St. Paul.

Shirt Swindler Swipes Suckers

The Royal Crown Mills, wholesale hosiery manufacturers at 229 West Washington street, Chicago, have asked THE NATIONAL UNDERWRITER to issue a warning to insurance men against one Herbert Fach, who for the time being seems to be operating in New York City among insurance offices selling shirts and purporting to represent the Royal Crown. He takes measures for shirts, demands a deposit and then states that the merchandise will be sent C. O. D. for the remainder. The shirts never arrive. He is about 5 feet 10 inches high, weighs between 140 and 150 pounds, is about 45 years of age, is somewhat pockmarked, has dark hair turning gray and is slightly bald. He wears nose glasses with a black cord.

agents in selling sound insurance, he said. It will serve as a rallying ground for company and agency forces to prevent spread of state insurance schemes and arrest growth of mutual and reciprocal insurance.

Mr. Ellis paid honors to the American agency system, which he feels is an integral part of the American insurance system for which no substitute ever will be found.

The Quiney (Ill.) Board will hold its annual outing and celebration Oct. 7.

Street's Report on Losses Made

Tells Progress Made in Adjustment Work in Central Territory

IMPROVEMENT IS NEEDED

Some Abuses Pointed out in Hail Adjustments at Meeting of Western Underwriters Association

HERSHEY, PA., Sept. 16.—At the meeting of the Western Underwriters Association, C. R. Street of the Great American, chairman of the committee on cooperation in loss adjustment practices, stated that there is less to report at this particular time on the subject of losses but he pointed out the necessity for continued vigilance in safeguarding company interests. He said that hail storms in Oklahoma City and Omaha brought out dangers due to small general agencies interested in the size of the adjuster's bill rather than the amount of the claim and the desire of a few agents to dispose of claims to favored clients.

Situation on Hail Claims

It is easy to take advantage of a competitor in the handling of small loss claims, he said. There were some 7,000 claims to be adjusted in Omaha as a result of the May storm and several hundred more in one which occurred in June. He said there was excellent cooperation with the adjusting companies. An agency or two undertook to handle for themselves any losses not referred to the adjustment company and this enabled them to advertise that their losses were settled sooner than others. These claims, Mr. Street said, were closed by the simple process of sending a contractor to make repairs without supervision by any authority.

Farm policies, he said, uniformly exclude windstorm coverage on roll composition roofing. A field man not representing a general farm writing company instructed an office of one of the adjusting companies to pay all such claims. There is nothing to the argument that because such roofing is not specifically excluded in the hail rider, companies are liable, he said.

Situation in Oklahoma

Mr. Street said that in Oklahoma hailstorms have been numerous and the work of taking care of them has not been so well organized as has been the case in Omaha. Adjusters came in from other states and had some difficulty in orienting themselves to the situation. Jurisdictional control is sharply divided in Oklahoma between the east, Chicago, Atlanta and general agency offices in Texas and Oklahoma. A number of the independent adjusters in Oklahoma City, Mr. Street says, do not measure up to the required standing.

Work on Roofing Code

Mr. Street said that work is now being done on a roofing code which when completed will be furnished to all field men and adjusters and it is hoped, he said, that ridiculous discrepancies will to a large degree vanish.

Mr. Street in his report spoke of the question of expenses and expense of entertainment intended to influence the assignment of adjustments. He thinks a material improvement in this respect will follow. He urged companies to advise their men in the field to stay away from entertainment of this kind.

During the first six months of this year the Western Adjustment closed (CONTINUED ON PAGE 32)

Automobile Home Trailer Studies

Western Branch National Automobile Underwriters Association Starts Investigation

INTERESTING PROBLEMS

Chicago Automobile Superintendents Club Starts a Discussion of the Plan of Coverage

The western branch of the National Automobile Underwriters Association has undertaken to make a study of the auto home situation, keep abreast of developments and formulate a rating procedure. A committee on the auto home situation was appointed, consisting of L. L. Sanders, National, chairman; Arthur Moyer, North America, and C. D. Lasher, Home. This committee has a list of some 200 manufacturers of auto homes. The catalogues of these manufacturers will be studied in an attempt to arrive at a decision of which ones should be recommended as insurable.

Superintendents Get Busy

The Automobile Superintendents Club at its meeting Monday of this week discussed the auto home situation at considerable length.

Mr. Sanders has prepared an auto home endorsement, which his company is using. It reads:

"It is the condition hereof that this insurance, subject to all its terms and conditions, covers the automobile home described herein, including only such equipment and accessories as are built into and form a permanent part of the structure thereof and such equipment as is usually attached to the ordinary automobile of the private passenger or truck type and which is not specifically excluded under the terms of this policy. The description of the auto home and the facts regarding its purchase are as follows:

There follows space for entries under "year model," "trade name," "serial or manufacturer's number," "actual cost to insured including equipment," "date purchased by insured," and whether purchased new or second hand.

Then there is provision in the endorsement for including coverage on personal effects, fire, lightning and transportation only. This is the regular conference form for covering personal effects in the automobile, the only change being that where the word automobile appears in the conference form, the auto home endorsement contains the words "auto home."

One of the big problems that is certain to arrive, as more and more people purchase automobile homes and reside in them for long periods, will be the coverage on the personal property that is not attached to and a part of the home itself. The fire, lightning and transportation hazard can be covered with an endorsement, but some owners of these homes will undoubtedly desire all risk coverage. The personal property floater or comprehensive householders policy might be used, but it is doubtful whether the marine underwriters would regard these as desirable risks. They would undoubtedly fear the theft hazard particularly. It is probable that as the number of these auto homes increases, they will attract the attention of thieves who will prey on them.

COMMENT BY AN AGENT

A Chicago agent comments on the observations of Western Manager B. L. Hewett of the Boston and Old Colony

Sullivan and Lamping Win in Washington Primaries



COL. GEORGE B. LAMPING

William A. Sullivan, Washington insurance commissioner, ran away with the Democratic nomination for the office he now holds in the state primary election. Col. George B. Lamping, a Seattle insurance man and formerly a member of the Seattle port commission, defeated Coral B. White, also of Seattle, and national councillor for the Insurance Agents League of Washington, for the Republican nomination. Finishing in third place in the Republican race was J. O. Rummens, chief deputy insurance commissioner under the late H. O. Fishback.

Mr. Sullivan defeated his only opponent, George E. Stokes, a Seattle life insurance man, by an overwhelming majority. The race on the Republican side was much more closely contested. Colonel Lamping captured a large majority in King county (Seattle) and Pierce county (Tacoma) where he is widely known. Mr. White carried Spokane county and drew heavily in the rural sections.

After Spanish American war service Colonel Lamping returned to Seattle and with his brother, Evart, founded Lamping & Co., which is active in the Northwest today. He disposed of his interest in Lamping & Co., to his brother when he entered politics in 1918. In 1926 he established the Oregon-Washington Agencies, a general agency which represented the Detroit Fire & Marine in Washington and Oregon. He sold the general agency to the Washington General Agency in 1928 and has since been writing insurance as a broker.

Colonel Lamping has two brothers in insurance, Evart, now sole owner of Lamping & Co., who is president of the Northwest General Agents Association, and Sam G. Lamping, metropolitan manager for the General of Seattle group.

Commissioner Sullivan is a former president of the National Association of Insurance Commissioners.

on the increase in production of automobile home or house trailers. Mr. Hewett in his interview spoke of the increase (CONTINUED ON PAGE 32)

Oshkosh Fire Prevention Plans

OSHKOSH, WIS., Sept. 16.—The program for observing Fire Prevention Week in Oshkosh will embrace most of Winnebago county, Mrs. Myrtle B. West, president Oshkosh Insurance Underwriters Association and chairman of the fire prevention committee of the Oshkosh chamber of commerce, announces. Fire drills in schools and other similar buildings will be extended to hospitals and other institutions. Instructions in "what to do in case of fire" will be given and the fire fighting equipment and hose in such institutions will

Stock Fire Cover Sound, of High Quality, Kulp Says

GIVES NEW MEXICO ADDRESS

Mountain States Inspection Bureau Manager Before Agents' Annual Gathering

Stock fire company agents have honest indemnity to offer at a price consistent with the high quality, W. J. Kulp, manager Mountain States Inspection Bureau, declared in a talk at the annual meeting of the New Mexico Association of Insurance Agents at Albuquerque this week. Rates and rules are consistent with company stability and good underwriting practice, he said. The agents can justify and defend each phase and activity of their business.

"Through misunderstanding or lack of knowledge," he said, "there is a resentment against the rules and regulations which we are employed to administer. I am sure that those who will analyze the situation and will take the trouble to find just where a rating bureau fits into the business, will realize that the rules and regulations as established are for their protection as well as guidance.

Provide Safety and Comfort

"No law is without its objectors but no law can long exist, or be enforced, that is not for the general good. So it is with our rules and regulations; changing methods in the mercantile and financial world require conforming adjustments in the insurance business. While we may not like some particular law or rule, we would scarcely propose the abandonment of all laws and rules, and as law abiding citizens we should appreciate the safety and comfort they provide.

"Fire insurance rates are based largely on the experience of our companies who have developed most valuable statistics from which rates may be computed. Each rate represents as nearly as is practical the relative fire hazard of the particular risk to which it is applied.

"You are being constantly urged to service individual rates and to recommend improvements, which if made, will reduce the cost to your client, and in this work we have made every effort to be helpful. Your efforts along these lines and those of the companies have been most altruistic as a whole.

"Anticipating the need for rates, the company has become a member of an established rating bureau, as the promulgation of rates by individual companies would be economically prohibitive and would not only place an additional burden on the policyholder who in the end must pay the whole bill, but competitively would cause the failure of such insurers as might, in their greed for premiums, fail to maintain a rate level high enough to meet expenses and losses."

Mr. Kulp touched on the bureau's work of inspecting which, he said, is designed to protect against those who would wilfully or otherwise cut rates. There are some 3,000 agents under jurisdiction of the bureau. About 50,000 tags annually are issued denoting errors or inconsistencies in daily reports. The auditors or examiners are impartial and generally do not know one agent from another, Mr. Kulp said.

be inspected. Home inspection blanks and fire prevention material will be distributed throughout the county.

The Richmonde County (N. Y.) Association of Local Agents will meet at St. George, S. I., Sept. 18.

B. B. Yates, special agent of the Fireman's Fund Indemnity in Chicago, is on vacation in Denver visiting relatives.

Qualifications in New Mexico Voted

Agents' Convention Pledges Concerted Action to Secure This Legislation

COOPER AGAIN PRESIDENT

All-Time Attendance Mark Recorded at Annual Gathering Held in Albuquerque

NEW OFFICERS ELECTED
President, Postelle Cooper, Deming (re-elected).

Vice-president, Howell Ernest, Santa Fe (re-elected).

Secretary-treasurer, Mrs. Nan Kauffman, Silver City.

Regional Chairmen who compose Executive Committee—Max Brandenberg, Taos; A. E. Erickson, Albuquerque; George Fleming, Las Vegas; C. B. Hamilton, Tucumcari; Joe Wertheim, Carlsbad; Mrs. Ada Brewer, Silver City.

Next convention—Carlsbad, near famous Caverns National Monument.

ALBUQUERQUE, N. M., Sept. 16.—The best and largest attended convention that the New Mexico Association of Insurance Agents has ever held closed with a banquet here, after heartily endorsing the agents qualification proposal and arranging to submit such a law to the next legislature. It will also urge consideration of a standard policy for all forms of insurance.

Resolutions were adopted urging that all state insurance, whether fire, casualty or surety bonds, be written only through licensed New Mexico agents, and that bonds issued from outside sources be rejected. The members pledged concerted action on all the proposed legislation.

Great Membership Increase

Registration was 75 and attendance 125. Following the president's address by Postelle Cooper of Deming, urging need of an agents qualification law and stressing support of state and National associations, Vice-president Howell Ernest read the secretary-treasurer's report showing membership nearly double since the first of the year and the treasury in good condition.

Arthur B. Dunbar, Omaha agent and member of the National association executive committee gave an address which is presented in part elsewhere in this issue. Raymond L. Ellis, assistant secretary Fireman's Fund, spoke on "How Stock Companies Cooperate with Agents in Meeting Competition," his talk in part being in another column. He said companies put their strength and stability into the policy behind the agent and spend great sums informing the public and in educational work. He noted the vital work of the National Board in gathering statistics and opposing discriminatory and detrimental legislation. Companies maintain necessary regulatory measures to protect agents, he said, urging that agents not fight cut price with cut price but sell the American agency system and help to stabilize the business.

Open Forum on Marine

There followed an open discussion of marine coverages led by Robert Campbell of the Home of New York.

The convention voted to send Howell Ernest to the National convention at Pittsburgh. A committee is to be appointed to cooperate with the Business (CONTINUED ON PAGE 58)

True a century ago- true today:-

There is hardly anything in the world
that some man cannot make a little
worse and sell a little cheaper and
the people who consider price only
are this man's lawful prey.

John Ruskin

THE HOME INSURANCE COMPANY NEW YORK

Strength « » Reputation « » Service

**Girls in Agencies Attend Conference at Home Office
ARE INVITED BY EXCELSIOR**

Discuss Some of the Important Questions Relating to Company and Field Relations

The Excelsior of Syracuse inaugurated a plan which has been followed for many years by the Ohio Farmers in inviting to its home office a limited number of girls from some of its leading agencies to talk over the handling of details with head office people. Many directors of the company who are local agents favored the conference plan that was suggested by President R. C. Hosmer. Therefore last Saturday girls from New York state agencies chiefly were invited and nearly 30 were present. A visit was made to the offices of the New York State Fire Rating Organization in Syracuse so that they could see how the wheels went around in that enterprise.

Open Forum Was Introduced

A buffet luncheon was served and then followed an open forum over which Miss Helen Blair of Wellsboro, Pa., presided. Topics discussed were underwriting, reinsurance, agency office system. Members of the head office staff who participated were P. J. Koch, underwriter; L. K. Thompson, cashier; K. Ball, mapping; V. Harkness, reinsurance, and F. Crandall, loss. There was a dinner in the evening.

President Hosmer announced that he was pleased with the success of the first conference and he believes it will be continued. It has been the practice of the Excelsior to invite agents to home office meetings in order that they

can get better acquainted with the mechanics.

Among the agency girls who attended the meeting were Mrs. F. P. Orttello, Henderson Agency in Herkimer; Ethel Hulatt, Bradley Agency, Lyons; Catherine McTamney, Stiles Agency in Owego; Edith Hamilton, Woodworth-Hawley, Buffalo; Alice F. Harrigan, Murphy Agency, Niagara Falls; Mrs. Mabel Lyons, Insurance Service Agency, Albion; Louise Ryan, Willcox & Watts Agency, Little Falls, and Helen Blair of the Blair Agency in Wellsboro, Pa.

The following girls from Excelsior agencies in Syracuse attended the meeting: Arlene Lamirand and Miss A. L. Fields, Onondaga Realty Co.; Marguerite S. Fitzpatrick, City Insuring Agency; Ethel Farrell, Clark Agency; Martha Lynn, Gere & Stohrer; and Catherine Goss, Young Insurance Agency. Miss Josephine Kenny of the New York insurance department was also present.

Bar Asks More Coordination on Unauthorized Insurance

In a revised report the committee on authorized insurance of the American Bar Association restates its recommendations made last spring for solving the problem and supplements them by urging complete cooperation of all groups. All the parties interested desire that the problem be solved but there are differences in opinions on the methods due to the widely different problems confronting insurance organizations and the individual insurance commissioners, the committee says. A practical point of view should be taken which would not shackle the insurance business.

In its original report the committee held that uniform state legislation rather than a federal measure is the solution of the unauthorized insurance problem. It suggested that more states require insurance companies to agree not to

A. B. Dunbar Tells About the Givers and the Takers

SPEAKS TO NEW MEXICO MEN

Gives Some of the Achievements of the National Association of Insurance Agents

ALBUQUERQUE, N. M., Sept. 16.—At the annual meeting of the New Mexico Association of Insurance Agents in this city, A. B. Dunbar of Omaha, member of the executive committee of the National Association of Insurance Agents, said that he believes that all men and women may be classified into two groups, "takers and givers." The "takers" shirk the work and responsibility, which are the price of any achievement, and escape all human relationships. The spirit of the age, he said, is against the "taker." Members of the agency organization strive to be "givers." They pay as they go.

Reaches 13,000 Mark

The National Association of Insurance Agents, he informed his hearers, has now about 13,000 members. The American agency system, which it espouses, is more than 150 years old and it has kept pace with the changing times.

He spoke of the most outstanding achievements of the National association, listing them as follows:

Created the monetary value of insurance agencies.

Established uniform reporting forms. Established in the United States Su-

engage in business in any other state without first obtaining a license. An exception permitting the writing of national risks with proper restrictions was suggested.

preme Court the constitutionality of resident agency laws.

In cooperation with the fire companies brought about the establishment of the Stock Company Association, thereby securing wide distribution of the insurance requirements of the HOLC to many companies and many agents, and

Maintains a Washington office to serve the interests of the membership, not in connection with any one of the governmental undertakings, but to establish a contact in Washington to furnish the membership with information in regard to any insurance interest affecting the government.

Mr. Dunbar said that the successful progressive local agent is not the man who has failed in other lines of business. He is a sound business man who is capable of giving full insurance advice. He operates in a highly specialized field and it is up to him to improve his business methods. Insurance is becoming more and more complicated and requires more profound study. The progressive local agent belongs to his organization, local and state. When agents go to a national meeting they get a broad view of insurance from its country-wide aspects. Mr. Dunbar said that as one listens to addresses and committee reports he realizes the great number of problems calling for a solution.

Cooperate on Examining Agents

The Ohio, Pennsylvania and Illinois departments have entered into an arrangement under which the three states can expedite the examination of applicants for agents' licenses. Should an Ohio insurance man seek a license in Pennsylvania, for instance, the Pennsylvania department will send its list of examination questions to the Ohio department, which will conduct the examination and forward the sealed examination answers to the Pennsylvania department. The Ohio department is willing to cooperate in this way with other states also.

The **J. W. Wilson Agency**, Cleveland, has been incorporated by J. W. Wilson, Paul S. Knight and A. M. Brooks.



NORTH STAR INSURANCE COMPANY

Reinsurance of Fire and Allied Lines

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

■ A SALUTE TO THE STATE OF VIRGINIA



Virginia has 42,627 square miles 1.41% of the U.S.
 Virginia has 2,421,851 population 1.97% of the U.S.
 Virginia has National Shrines in Mt. Vernon, Monticello and the Arlington National Cemetery.

Contributions of the "Old Dominion" State to the history and educational development of the nation give it many reasons to be proud.

The manufacture of cotton cloth, only one product of 1,864 factories, is increasing, while the value of Virginia's exports has jumped rapidly in the last ten years.

Soon after the settlement of Jamestown in 1607, the cultivation of tobacco was started; the State has been one of the leaders in this product, as well as peanuts, pure bred livestock and in the unusual variety of lumber produced.

At Hampton Roads and Newport News there are great navy yards and shipbuilding plants, utilizing the James River for anchorage purposes.

Virginia insures, with the old established stock insurance companies, \$854,926,949 of its property values against fire and pays, annually, \$7,530,237.—1.63% of the premiums of the United States

American Equitable Assurance Company of New York

Organized 1918 Capital, \$1,000,000.00

Merchants and Manufacturers Fire Insurance Company

Newark, N. J. Chartered 1849 Capital, \$1,000,000.00

Globe & Republic Insurance Company of America

Philadelphia, Pa. Established 1862 Capital, \$1,000,000.00

New York Fire Insurance Company

Incorporated 1832 Capital, \$1,000,000.00

Knickerbocker Insurance Company of New York

Organized 1913 Capital, \$1,000,000.00

Sussex Fire Insurance Company

Newark, N. J. Incorporated 1928 Capital, \$1,000,000.00

Corroon & Reynolds
Incorporated
MANAGER

92 William Street

New York

One of a series designed to acquaint insurance men and insurance buyers with a few facts about our country.



**INDEMNITY
INSURANCE CO. OF
NORTH AMERICA
PHILADELPHIA**

**CASUALTY
FIDELITY
SURETY**

**Unquestioned Financial Stability.
Unique, Convenient Policies.
Complete, Efficient Service.
All Modern Coverages.**

CAPITAL \$1,000,000

Combination Automobile Policy, Combination Residence Policy and Complete Golfer's Policy issued jointly with allied fire companies

**Urges Attack on
Consumer-Co-ops**

W. Owen Wilson Shows Inconsistency of Business Men in Entering Insurance

SEES FEDERAL TENDENCY

National Association Executive Chairman in Forceful Talk at Michigan Agents Meeting

State associations and local boards should appoint strong committees to make a direct attack on the destructive consumers-cooperative insurance movement, W. Owen Wilson, chairman executive committee National Association of Insurance Agents, told the Michigan Association of Insurance Agents in annual meeting at Battle Creek.

For many years, he said, the United States Department of Agriculture openly has sponsored farm mutuals, and ravages of drought this summer revived the possibility that the government might enter insurance on a wholesale basis to protect farms from crop losses. Secretary of Agriculture Wallace, Mr. Wilson said, has indicated in several speeches that the administration seriously is considering formulating a federal crop insurance program as a foundation stone of social security for the farmer. Many churches have opened their arms to the consumers' cooperative movement.

Presidential Campaign Chance

Mr. Wilson said the presidential election of the next two months appears to offer possibilities of solving this problem of insurance cooperatives. The campaign will center on economic questions and, Mr. Wilson said, ultimately may bring into the picture the matter of corporations' corporate activities, regulation of corporations as against other forms, including consumer and producer cooperatives. This offers agents of stock companies opportunity to present clearly and forcefully the reason for the profit or capitalistic system and merits of stock insurance.

"Specifically I refer to the class mutuals and reciprocals, sponsored by trade groups which fostered and maintained them, and now wake up to discover that the same cooperative system which they have encouraged is threatening to devour them," Mr. Wilson said. "I wonder how many of you have seen your choicest factory risks go to the factory mutuals; your big mill risks to the millers mutuals; your lumber risks to the lumber mutuals and reciprocals; your hardware and drug business to their class mutuals?"

Inconsistency of Official

He quoted from an address of Weaver Dobson, vice-president J. F. Anderson Lumber Company, in Minneapolis at a meeting of the Wisconsin Retail Lumbermen's Association recently in defense of the profit motive and the retailer in business, to the effect that the consumer-cooperative plan if followed to its logical conclusion eventually comes to pure socialism; that socialized retailing eventually means socialized wholesaling, manufacturing and farming, with no profit in production or business for any one. Mr. Wilson noted Mr. Dobson's vulnerability due to the fact he is a member of the board of a reciprocal exchange.

"Here we have the ultimate inconsistency," Mr. Wilson said, "a reciprocal exchange officer defending the

Chosen New President of the Colorado Agents



REEVE BURTON

Reeve Burton of Colorado Springs, Colo., who was elected president of the Colorado Association of Insurance Agents at the convention in Denver, has long been active in state organization work. He took an active part in the organization of the association six years ago and served as its first president, to which office he is now returned.

capitalistic system of business before an association of lumbermen so closely allied with a lumbermen's mutual that they have a joint secretary. And the address is published in the official organ of the National Retail Hardware Association, a group of representatives of a business on which the cooperative system has grown fat, in the nature of the hardware mutuals which they have sponsored.

Suggestion for Businesses

"Now these builders of cooperatives call on businesses to combine in concerted opposition to the cooperative program and to develop definite leadership. We can point the way to them. Let them assume leadership in cleansing their own business of the taint of their own cooperatives, and then all of us, believers in the profit motive and the retailing system, can work together in a common cause."

"Until such time we must have small sympathy with their concern as to their own future. They have built up and fostered a system that they now fear will devour them."

"In my opinion the opportunity of a lifetime is laid on our doorstep, through crystallization of this growing dread of the cooperative wave on the part of the industrial associations. Let's begin at the end of the line. We like to do business with our corner drug stores, our neighborhood hardware stores, our local lumber dealers. We know the men who conduct these businesses. We can tell them just what their trade groups are doing to ours, and drive home the necessity for businesses to stand together in protection of the profit motive."

"Then we can go further—into the field of the jobber, the wholesaler, the manufacturer. All of these people are banded together in their respective trade groups. There lies our point of con-

(CONTINUED ON PAGE 39)

FIRE SPECIAL AGENT WANTED

By established General Agency in Chicago. Previous experience with Western department or Class I agency essential. Splendid opportunity for Special Agent with good following in Chicago and Cook County. State age and experience. ADDRESS D-73, NATIONAL UNDERWRITER

SOUND STOCK COMPANY INDEMNITY

Stock fire insurance as an institution has met every emergency and catastrophe which has visited this country. Stock fire insurance has been elastic enough to relieve the business interests of this country of every conceivable risk which changing conditions have developed. We refer to War Risks, Strike and Riot, Explosion, Hurricane and Earthquake. Stock fire insurance is a business stabilizer and shock absorber. Stock fire insurance wears well and serves well.

STATEMENTS OF JUNE 30, 1936

	Capital	Assets	Liabilities	Surplus to Policyholders
*UNITED STATES FIRE INSURANCE COMPANY.... Organized 1824	\$2,000,000	\$31,388,432.08	\$11,309,732.97	\$20,078,699.11
*THE NORTH RIVER INSURANCE COMPANY..... Organized 1822	2,000,000	22,498,583.23	6,718,906.82	15,779,676.41
*WESTCHESTER FIRE INSURANCE COMPANY.... Organized 1837	1,000,000	18,258,702.07	7,373,166.90	10,885,535.17
THE ALLEMANNIA FIRE INS. CO. OF PITTSBURGH Organized 1868	1,200,000	5,325,806.04	1,691,686.43	3,634,119.61
*RICHMOND INSURANCE COMPANY..... Organized 1907	1,000,000	4,675,418.68	1,341,284.95	3,334,133.73
WESTERN ASSURANCE CO., U. S. Branch..... Incorporated 1851	400,000**	4,276,298.72	1,551,472.53	2,724,826.19
BRITISH AMERICA ASSURANCE CO., U. S. Branch.. Incorporated 1833	200,000**	2,873,248.24	854,148.83	2,019,099.41
SOUTHERN FIRE INSURANCE CO., Durham, N. C.... Incorporated 1923	200,000	1,503,975.68	448,240.76	1,055,734.92

*Company operates under Section 130-1-2 of the New York Insurance Law.

**Statutory Deposit—New York Insurance Law.

CRUM & FORSTER MANAGERS

110 WILLIAM ST.

WESTERN DEPT.
FREEPORT, ILL.

PACIFIC DEPT.
SAN FRANCISCO

SOUTHERN DEPT.
ATLANTA

ALLEGHENY DEPT.
PITTSBURGH

NEW YORK

CAROLINAS DEP T.
DURHAM, N. C.

NEWS OF FIELD MEN

J. C. Hupp Goes With Security

Succeeds the Veteran W. E. Griffith in Missouri and Kansas, Resigning from the National

The western department of the Security of New Haven has been holding conferences of its field staff at department headquarters in Rockford. A dinner was given in the evening for W. E. Griffith, state agent in Missouri and Kansas, in commemoration of his 80th birthday. He was presented with a watch by the western department and a lounge chair by the field men. Mr. Griffith has been state agent for the Security for 30 years. It was announced at the dinner that he has been placed on the reserve list. He is succeeded as state agent by J. C. Hupp of Kansas City, who for the last 12 years has been special agent of the National Fire in Missouri.

Plan Michigan Inspections

R. N. Menzies, Great American, president Michigan Fire Prevention Association, has called a meeting of officers, directors and committeemen in Detroit Sept. 21 to confer on plans for the year. The schedule of inspections for the fall and winter season has been prepared and will be passed upon at the session.

The first inspection will be in Mt. Clemens Oct. 29, with Ralph Searle, Searle Agency, in charge of local arrangements and Clarence Hubbard, Home of New York, in charge for the association. R. E. Verner will address a joint luncheon of civic clubs and will speak in the high school. Mr. Menzies will make several addresses in the grade schools.

Key Elected in Alabama

BIRMINGHAM, ALA., Sept. 16.—Cliff G. Key, state agent Home of New York, was elected president of the Alabama Field Men's Association, succeeding H. J. Morris, special agent Hartford, at the annual meeting in Birmingham. Sellars Lightfoot, Firemen's, was elected vice-president and R. S. Greer, New York Underwriters, secretary-treasurer. Members of the executive committee are Ed. H. Harris, W. H. Hackney, R. H. Helvenston, H. J. Morris, W. G. Overton and W. G. Ward. The October meeting will be held in Montgomery.

Field Men End Fishing Trip

A group of Michigan field men has just returned from a week's fishing expedition in Ontario above the Canadian Soo. Included in the group were O. D. Wiche, Phoenix of England fleet; J. J. Hubbell, Security of Connecticut; J. R. Baker, National Union; G. R. Pritchett, American of Newark; J. F. Bohrer, Camden, and E. B. Bystrom, Underwriters Adjusting.

Mentioned for Grand Keeper

Several candidates are being mentioned for grand keeper of the Blue Goose to start up the ladder toward the post of most loyal gander. The candidates whose hats are in the ring are Ben McKeel, Raleigh, N. C.; Cleveland Willcoxen, Atlanta, Ga., and Maury Pollard, Beaumont, Tex. At the Oklahoma City grand nest meeting Oct. 13-15, Most Loyal Gander Phillips' term expires and it is expected that the other officers will be advanced a notch.

Plans are being completed for the grand nest meeting. A get-acquainted dinner will be held the evening of the opening day following the golf tournament. Wielder C. P. Hellwell, anticipates a large attendance. The Okla-

homa ganders, who will be host at the convention, are making elaborate entertainment plans.

Special train schedules are being worked out by the transportation committee under direction of Chairman Rex Kendall, American. Concentration points are designated as Minneapolis, Kansas City, Memphis, St. Louis, Denver and Dallas, in order that delegates will arrive in Oklahoma City on the same train.

Missouri Field Groups to Meet

The Missouri Fire Underwriters Association will hold its first fall meeting in Jefferson City, Sept. 24, when a program for the fall and winter will be outlined. Tom Caldwell, Home of New York, is president.

On the same date and at the same place the Missouri Fire Prevention Association will hold its first fall meeting. A. F. Nelson, New York Underwriters, is president. The group has outlined plans for Fire Prevention Week in Missouri, and is securing speakers for civic bodies, arranging cleanup programs, etc.

Klima Goes to Michigan

Edward J. Klima, one of the chief examiners in the western department of the Hanover Fire and Fulton, has been appointed special agent in Michigan to assist State Agent Ben Phillips with offices in the Free Press building in Detroit. Mr. Klima succeeds R. W. Olsen who goes with the Employers Fire in Michigan. Mr. Klima has been connected with the Hanover for 15 years, starting in as an office boy and being promoted through various stages until he became one of the chief examiners.

Indiana Blue Goose Plans

Monthly meetings of the Indiana Blue Goose are planned for the next three months, beginning with the golf tournament Sept. 28. Officers will be installed Oct. 17, with reports of the delegates to the grand nest. Nov. 16 there will be an initiation, and a party Dec. 31. C. R. Watkins is most loyal gander and A. W. Schmadeke is chair-

man of the entertainment committee. A drive for new members is under way directed by H. A. Pfister, chairman of the membership committee.

Gabriel in General Work

W. H. Gabriel, who retired recently as Michigan state agent of the National Fire of Hartford on account of his health, has returned to Chicago after having been at the Ford Hospital at Detroit for treatment and is now rounding out for duty. He is assigned the general field work at the western department and will be called upon for service in various territories.

Wisconsin Blue Goose Cruise

Members of the Wisconsin Blue Goose and their families enjoyed a 200-mile cruise on Lake Michigan, from Milwaukee to Ludington, Mich., and return on the car ferry "City of Flint." About 150 made the trip. Bridge and other games and entertainment were provided on the boat. H. C. Nurnberg, Nurnberg Adjustment Co., was general chairman.

Missouri Committee Named

O. W. Woodsmall, Fire Association; Firman B. White, Royal Exchange, and O. A. Ramseyer, North America, have been named as the Missouri committee of field men to cooperate with the Business Development Office. The agents' committee had already been announced.

Meeke With Fireman's Fund

SAN FRANCISCO, Sept. 16.—John E. Meeke has been appointed fire special agent for the Fireman's Fund group covering Oregon, succeeding Miller S. Farrell, resigned. Mr. Meeke will maintain headquarters in Portland where he has represented the Glens Falls as special agent in charge of Oregon, Washington and northern Idaho the past five years.

Lefevre Moves Headquarters

L. F. Lefevre, Texas state agent for Crum & Forster, has moved his offices from Dallas to the Chronicle building in Houston.

Inspect Horton, Kan.

The Kansas Fire Prevention Association held its first town inspection at Horton. Clyde B. Latchem, head of

To Look After the Ganders



A. R. STEWART



F. C. NEWCOMER

Two prominent field men of Oklahoma will participate conspicuously in the forthcoming conclave of the grand nest of the Blue Goose in that state in October. A. R. Stewart of Oklahoma City is chairman of the general committee. He is state agent of the Prov-

dence Washington. F. C. Newcomer of Oklahoma City is chairman of the entertainment committee. He is state agent of the Cotton Insurance Association. The grand nest will meet in Oklahoma City, Oct. 13-15, a large attendance being expected.

the fire division of the Kansas department of inspections, assisted. Secretary J. G. Updegraff, Royal, was in charge.

Heart of America Picnic

The Heart of America Blue Goose will hold a picnic and barbecue Sept. 28 for field men and adjusters and their families.

Clyde Taylor, Firemen's of Newark, is chairman of the contests committee; E. H. Hawkins, Western Adjustment, is in charge of entertainment, and O. A. Ramseyer is seeing to the food.

Name San Francisco Committee

Committees of the San Francisco Blue Goose have been announced by Stanley McPherson, most loyal gander.

A conference committee has been appointed by Mr. McPherson, consisting of all present officers of the pond and all past most loyal ganders, all of whom are still active and a number prominent in the insurance business.

Fred Ackerman Celebrates

Fred Ackerman of Newark, New Jersey state agent of the National Union Fire, celebrated his 64th birthday Sept. 15 and received congratulations from friends all over the country. He has been in the insurance business nearly 50 years and is widely known.

Quaker City Names March

H. A. Marsh has been appointed executive special agent of the Quaker City Fire & Marine of Philadelphia.

Fire Prevention Meetings

The Minnesota Fire Prevention Association will inspect Hutchinson, Sept. 30.

The Ohio Fire Prevention Association will inspect Steubenville, Sept. 30.

Earl F. Woods, Kansas-Oklahoma state agent National Union, Wichita, Kan., announces that Mrs. Lucille Dawson is taking charge of his office. She has been with the Commercial Union and American Central office in Wichita for many years and is one of the most capable and best informed insurance women in Wichita.

Plan Which Hartford Uses With Municipal Insurance

HARTFORD, Sept. 16.—It will be of interest to agents throughout the country to know that this week the registered insurance agents of Hartford published for distribution by the Hartford Board of Fire Underwriters, a pamphlet, "The Hartford Insurance Plan." Under his plan municipal insurance is divided equitably among the residents, taxpaying agents without political consideration.

The pamphlet was prepared by A. N. Premon, special representative in Hartford and vicinity of the Hartford Steam Boiler and insurance supervisor to the Hartford Board of Contract & Supply, as a result of numerous inquiries concerning the program which was adopted in April, 1931.

Mr. Premon writes in his preface that "everywhere there are indications that it is imperative for the insurance fraternity in general to eliminate entirely from their work and contact with the buyers of insurance, anything that savors of mystery."

The pamphlet describes the details of the plan whereby all the insurance of the city departments is placed by the board of contract and supply through an insurance advisory committee, and the agents receive their commissions through a system of scientific registration and classification.

Metropolitan in California

A California license has been issued to the Metropolitan Fire Reassurance of New York. Lyman M. Hale of San Francisco is named general agent.

AS SEEN FROM CHICAGO

EXAMINERS TO HEAR ERION

Frank L. Erion, well known independent adjuster of Chicago and an expert on U&O insurance, will discuss his specialty in a talk before the meeting of the Association of Fire Insurance Examiners of Chicago Thursday evening of this week.

* * *

GREAT AMERICAN TEAM WINS

A team representing the western department of the Great American won the championship playoff in the Insurance Men's Softball League of Chicago and was presented a silver loving cup emblematic of first place. The Homer Gwinn & Co. team captured second place and was awarded second place trophy. The Homer Gwinn outfit defeated the Crum & Forster team in the championship playoff. The league was organized this summer with 18 teams competing in the tournament.

* * *

LONDON LLOYDS CONFERENCE

Agencies representing London Lloyds in Chicago held a meeting during the week in the office of John S. Lord, who is attorney in fact for all the Lloyds group. About 40 representatives were present. Mr. Lord went to London during the summer, got in touch with the various groups and studied the Illinois requirements. The main object was to discuss the required Illinois deposit of \$5,000 for each office. A committee of eight was appointed to work out the details. Another meeting will be held this week. The committee consists of C. W. Weisz, A. F. Shaw & Co., chairman; J. P. Bowes, Bowes & Co.; D. W. Eggert, R. N. Crawford & Co.; A. H. Grupe, Jones & Whitlock; H. C. Hall, Marsh & McLennan; R. M. Redmond, Redmond & Co.; Henry Scarborough, Jr., Scarborough & Co., and L. D. Stitt, Starkweather & Shepley.

At the meeting questions were asked as to where the \$5,000 will be deposited, the form of receipt to be given and delivery of policies after the counter-signature by Mr. Lord.

Methods of handling policies also are being devised to meet the requirement of the Illinois department that all London Lloyds operations in Illinois clear through Mr. Lord and that he be in fact the principal contact with the London underwriters. Heretofore many correspondents have handled risks direct, Mr. Lord's office not being given detailed information in all cases. Director Palmer hereafter will require that Mr. Lord have all information on risks at London Lloyds necessary for reports to the department.

A depository for the various agencies' \$5,000 deposits will be designated. Another matter to work out is countersignature of policies by representatives licensed and recognized by the department in Illinois, as required by insurance law. It is probable that scarcely more than one-half of the 52 individuals and offices now having contracts with London Lloyds will make the \$5,000 deposits. Estimates vary from 10 to 30, with close to the latter figure deemed most nearly accurate. Those giving up their direct representation, it is presumed, will broker their London Lloyds business through one of the offices qualifying through deposit.

* * *

KANALEY AND BUDDEKE DISSOLVE

Following dissolution of the metropolitan supervising agency operating as Kanaley, Buddeke & Co., which until recently has been located at 410 South Clark street, Chicago, the senior partner, James L. Kanaley has opened his own offices in Room A-1008 Insurance Exchange, operating as James L. Kanaley & Co., a class 1 agency. The office has been completely refurnished. The firm represents the Alliance, Commerce

of New York, Connecticut Fire, Commercial Union and Star. Emmet Granan, who has been associated with the old firm for many years, is continuing in the same capacity. I. W. Buddeke has opened an office at 208 South La Salle street and will also continue his metropolitan supervising agency membership. He represents the Philadelphia

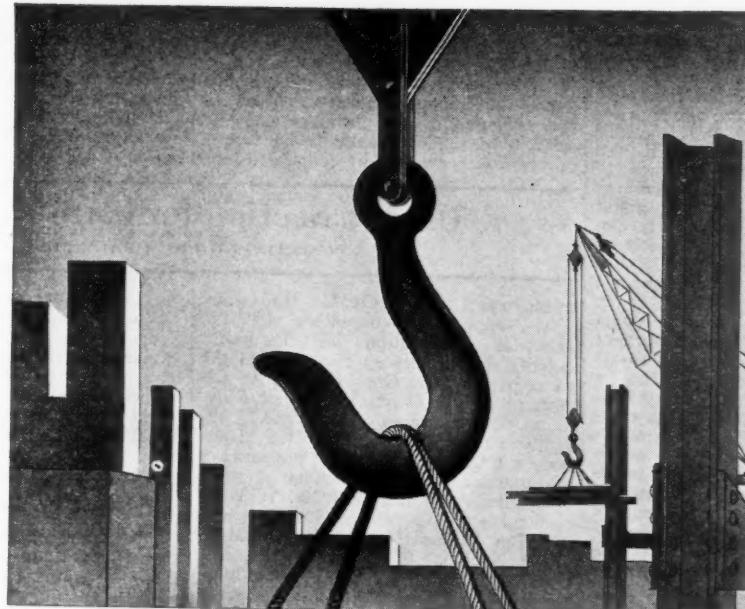
F. & M., Commerce, Connecticut Fire, Star and Federal Union.

FIRE RATES ARE CUT 25 PERCENT

The Chicago Board at a special meeting reduced fire rates on fireproof buildings and contents in Cook county not exceeding 30 percent reduction on buildings and not more than 35 percent on contents. This, it is estimated, would produce about 25 percent average rate reduction on buildings and 30 percent on contents. The board also set up a new "intermediate" classification including all fireproof risks outside the congested area on which commissions to metropolitan

supervising agents will be 30 percent and to brokers 20 percent. The commission scale remains unchanged on risks in the congested areas, which are left in the ordinary class. The commission action on the intermediate class was taken on motion of J. K. Walker of Moore, Case, Lyman & Hubbard, who was said to be spokesman for the Chicago Insurance Agents Association. The rate action resulted from 14 months' work by the committee on progressive board problems which studied the fireproof risk situation with three factors in mind: Reduction in hazard due to tearing down of many old buildings, improved experi-

Security for American Property Owners Since 1841



Security

The Insurance buyer asks "How safe is my insurance?"
The Insurance agent asks, "Which is a safe Company for my agency?"
As the basis for the claim that it fully meets these requirements for both buyers and sellers of insurance the Security of New Haven presents the following facts—

1. AGE—95 years.
2. FINANCIAL STRENGTH—assets over \$9,900,000.00.
3. SURPLUS TO POLICYHOLDERS—over \$5,000,000.00.
4. LIQUIDITY—cash, bonds, stocks over 77% of total assets.
5. TERRITORY—risks spread nationwide.
6. BACKGROUND—a New England stock fire insurance company.
7. CLAIMS—Have considerate treatment and prompt payment.

Do Business with a Strong American Company Operating Through Responsible Agents



HOME OFFICE
NEW HAVEN, CONN.

WESTERN DEPT.
ROCKFORD, ILL.



ence on the class in recent years and need for bringing the Cook county schedule into line with schedules of other middle west cities.

The action originally proposed in August was to eliminate the paragraph from the rules placing fireproof buildings in the preferred class and entitling them to the commission scale of that class, a plan which would have put them in the 25 and 15 percent ordinary classification. The board adopted a number of amendments. It did not, however, take up the \$1 service charge matter, although the Insurance Brokers Association of Illinois has been insistent that this charge be eliminated.

* * *

ATTACKS DEMOCRATIC GROUP

Gail Read of Chicago, executive secretary of the "Republican Insurance Committee" of Illinois, issued a statement this week declaring that that group was organized to remove political influence from the insurance business and it is deriving considerable amusement from a news item which appeared in the Illinois "State Register" announcing the organization of a "Democratic Insurance Committee" to assist in the effort to re-elect Governor Horner and other candidates. Backing the movement it was said are Joseph L. Gill, treasurer of Cook County, who is an insurance broker, and Albert J. Horan, chief bailiff of the Chicago municipal court, and Martin J. O'Brien, former chief clerk of the Chicago sanitary district who operate the Horan & O'Brien agency. According to the Springfield paper, the organization is being formed to offset the effect of the "Republican Insurance Committee," which was launched to remove political interference from the insurance business. C. H. Buras of Chicago, chairman of the Republican committee, states that his group is endeavoring to stop a practice that is demoralizing and injuring the business of insurance people in all parts of the state. In speaking of the Democratic committee he said that it only substantiates the position that the Republican committee has taken as to the need of an entirely new policy in the state along insurance lines.

A. F. Powrie's Comments on the Commission Issue

(CONTINUED FROM PAGE 3)

marauders and there is bound to be some of this business captured and carried off. These conditions are disconcerting, but the answer is not internal commission warfare over the great bulk of this business which our enemies cannot and never will be able to capture.

Pledge and Good Faith

"Regulation and control of commission allowances has become the major purpose of organization. It may be said to be the all-important objective at this time. Stabilization of commissions by organization is wholly dependent upon the pledge and good faith of the members. No outside machinery or processes can be substituted for or brought to bear upon the integrity of the members. Whether we will or whether we will not is a question for each individual in whose stead no substitute, alternate or proxy can act—not the association—not the governing committee—not the rules."

"Company problems and agency problems merge into issues which sooner or later confront the organization. This we cannot escape so long as we are organized. In my judgment organization is the only fortification protecting the business against certain self-destruction."

Grave Accusations

"We often hear the remark, 'Our business is over-organized' or 'There is too much organization' and that business suffers from compression into grooves of regulation. These are grave accusations if for no other reason than because they are self-made and because furthermore they tend to belittle organization."

"If every member of the W. U. A. would report to the governing committee's office all of the acts and practices

of which he has knowledge or good reason to believe are directly or indirectly an evasion, violation of the pledge of membership, rules of the association, and the spirit of organization, the Western Underwriters Association would become the influence and force for good in our business and benefit to the members that it ought to be."

As to rating methods, Mr. Powrie asserted:

"The governing committee acting on the authority of a resolution adopted at our annual meeting, instructing for the immediate exploration of the possibility of such changes as will more nearly adapt our rating methods to modern requirements, created a special committee to take this matter in hand."

BEGINNING IS MADE

"We have no formal report from the committee to submit to this meeting but a beginning has been made and several conferences already held with the manager of the Western Actuarial Bureau and with the managers of the state rating bureaus.

"It is appreciated that attention to our rating schedules to keep them abreast of the demands of the business and the interest of the companies is an undertaking that can never be completed, nor

is it work that lends itself to detailed reports for wide dissemination. Enough progress has been made to at least uncover some of the difficulties to be overcome and to enable the special committee to form some definite ideas of points to be studied and developed for later recommendations to be made to the governing committee."

MIXED AGENCIES

Referring to mixed agencies, Mr. Powrie said there have been from the agents repeated declarations in favor of absolute separation of stock and mutual companies in agency operations. "This," he said, "has been the preponderant and voluntary suggestion received from local agents, and we mention it over and against the complacency with which many of us contemplate representation of our companies by the same agent who represents also mutual companies."

In filling a vacancy on the Rocky Mountain supervisory committee, occasioned by the resignation of W. B. Flickinger, the governing committee, Mr. Powrie reported, voted in favor of a policy of rotation of members which will put into effect, barring resignations, the rule to appoint one new member each year, who will serve for a term of four years.

URGES A SECTION FOR FARM AGENTS

(CONTINUED FROM PAGE 3)

organization under capable leadership. To support his contention that the National Association of Insurance Agents should take up the cause of the rural people, Mr. Goss referred to the address of W. Owen Wilson of Richmond, Va., chairman of the national executive committee, before the Iowa body on the subject of the cooperative movement as it affects agents of stock companies. He said that Mr. Wilson's remarks were forceful and timely and deserved the most earnest consideration of all agents. The farm agent, Mr. Goss declared, is the most unfortunate victim of the cooperative movement of any class of agents. Cooperative farm insurance, he averred, written on the mutual plan has taken a vast volume of business from the hands of the regular farm agent. It has made the agent's going very hard and threatens to increase the difficulty of his position. He referred to Iowa as a shining example. While it stands as the leading agricultural state the agents of stock fire insurance have far from a representative business in the state due entirely to these cooperative enterprises.

FIRST LINE OF DEFENSE

Mr. Goss contended that the agency associations could not afford to abandon this important group of agents and must find a way to give them the support which they need. He declared that the rural agent is the first line of defense in insurance and if the cooperative movement is permitted to take the farm field it will not stop at the city limits.

A story dealing with the Iowa farm conference will be found in the section devoted to the Iowa agents meeting.

DENNIS C. SMITH IN MICHIGAN

Dennis C. Smith of Chicago, executive special agent of the farm department of the America Fore, in his talk before the Michigan Association of Insurance Agents stated that little attention has been given to the farm business by the National Association of Insurance Agents and the state limits. Rural agents writing farm property, he said, have problems of their own that are different from those in the larger centers. He was gratified to find that in addition to the Michigan meeting, state organizations in Illinois, Iowa and Kentucky placed on the program for annual conventions this year the subject of farm insurance.

He told about the efforts of I. D. Goss, manager of the America Fore farm department, to bring about a sec-

tion in the National Association of Insurance Agents and the state associations where the farm agents could gather and talk over their special problems. When he refers to farm writing agents he includes those in rural towns having 2,500 population or less. Rural agents, Mr. Smith said, have many problems which are quite different from those in the cities.

WHAT MR. GOSS RECOMMENDS

It is the recommendation of Mr. Goss that the state associations arrange on their programs for a rural section to meet in conjunction with the gatherings of the state body. Illinois has an organization of farm agents known as the Illinois Farm Agents Association and it has no relation to the state association of agents. It is Mr. Goss' idea that more could be accomplished if the farm agents had a section in the state body rather than to have an organization of their own.

Possibilities Are Overlooked

Mr. Smith said that his field work in the farm department during the last 10 years has taken him into five midwestern states. He said that in none of these has the majority of agents so completely overlooked the possibilities for increased premiums and commission income through sale of stock farm insurance as in Michigan. However, the facilities for writing farm insurance in Michigan by stock companies have been much curtailed because the companies found the state unprofitable. During the 12-year period which covers the first half of 1933, he said that was not a year of favorable farm experience in this entire period. Conditions became so unfavorable that the very life of farm business was threatened. Farm companies, he said, made a long and hard fight to win the cooperation of agents in behalf of improvements that were necessary.

MUCH IMPROVEMENT NOTICED

Much has been done, Mr. Smith said, to improve farm underwriting. The last two years have been favorable. He hopes that these two good years will not mean the relaxation of vigilance. Farm business, he averred, never has and never will permit of liberality in underwriting. It is a class that must be supervised carefully and which agents must handle with understanding and courage. It is out of the question, he stated, to accept every risk. Those

Made Valuable Suggestion As to the Farm Agents



IRA D. GOSS, Chicago

Ira D. Goss, head of the farm department of the America Fore companies in the west, and a former president of the Farm Insurance Association, has made a suggestion to the National Association of Insurance Agents and the state units that there be established a farm section both in the parent body and the state associations so that farm agents can have a forum to discuss their peculiar problems.

agents who discriminate by refusing to place the poor risks on their books contribute most to the success of the companies and themselves.

During July and August he said farm losses have been so heavy as to be a reminder of the old days when the farm business was seriously in the red.

OPENING THE MICHIGAN MARKET

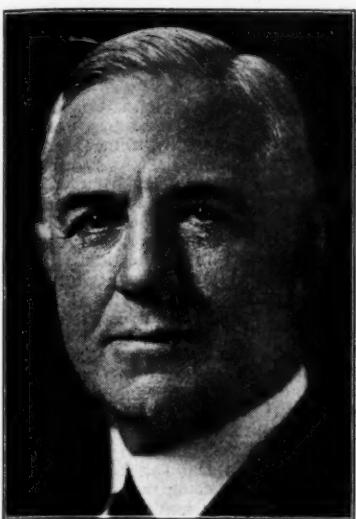
There has been a growing willingness on part of stock companies to accept Michigan farm business during the last few years. The owners of good farm property, he said, now have the money with which to buy stock company protection and they are doing it freely. Depression years, he said, brought out most clearly the inherent weakness of the assessment farm mutuals. Many manufacturers, capitalists, merchants and professional men, he stated, are turning to farm land for a good investment. They are demanding stock farm insurance. Michigan has a rural electrical inspection law, the first state to have such a statute, and this he commended. He said it may be expected that farm companies will give continued thought to promoting the introduction of protective features on the farm by rate credits. Provisions have already been made for lightning rods, shock arresters and non-combustible risks. It is the desire of insurance companies, Mr. Smith declared, to make farm rates commensurate with the hazards involved and to reduce rates as these hazards may be eliminated.

HINCKLEY UNDERGOES OPERATION

David Hinckley, secretary of the committee on rates and methods of the Eastern Underwriters Association, successfully underwent a serious surgical operation at a New York hospital.

MARTIN ON THE MEND

A. G. Martin, president Underwriters Salvage Company of New York, who has been confined to his Quogue, L. I., home for the past seven weeks through illness, is on the mend, although it will be some time yet before he is able to return to his office.

Toastmaster

W. P. ROBERTSON, Chicago

W. P. Robertson of Chicago, western general manager of the North America group, presided as toastmaster at the complimentary banquet at Battle Creek, Mich., Thursday evening given in honor of N. E. Hubbard, vice-president of the Hubbard-Dudley Company, local agents in that city. Mr. Hubbard had rounded out 50 years of service as a local agent. Toastmaster Robertson is not new to Michigan. For many years he was a tall figure in the field ranks of the state and is one of its most endeared graduates.

Program of Mutual Agents' Annual Meeting Announced

The annual convention of the National Association of Mutual Insurance Agents, which will be held at the Netherland Plaza Hotel, Cincinnati, Sept. 22-24, gives promise of being one of the largest and most interesting sessions the association has ever held. Emmett V. Thompson of St. Louis is president and E. I. Oakes, Washington, D. C., is secretary.

A golf tournament will be held on Tuesday afternoon at the Kenwood Country Club. The Thompson, Kincaide, O'Connor & Powers cup and the Alfred M. Best Co. cup will be played for. In the evening there will be a party for the men, and on Wednesday evening the annual banquet will be held, with a fine speaker, good music and entertainment. The women who go to Cincinnati for the convention will be entertained with visits to the Taft Museum, Kroger Foundation and the Rosewood Potteries, together with a theater party.

Business sessions will be held Wednesday and Thursday. Mayor Russell Wilson of Cincinnati is to deliver the address of welcome and Mr. Thompson will respond. C. F. LaFleur will conduct a buyer's clinic and speakers on "Selling Mutual Insurance" will include S. S. Chandler, Macon, Ga.; Albert R. Peters, Washington, D. C., and Glenn C. Webb, Lima, O. W. Howard Howatt, Springfield, Mass., will tell "Why I am a Mutual Agent," and Ambrose Kelley, American Mutual Alliance, will discuss "Standard Provisions for Automobile Policies."

J. S. Kemper's Life Agency in Chicago Holds Opening

Many friends and business associates of James S. Kemper, president of the Kemper group of insurance companies, Chicago, attended the opening of his new general agency of the General Mutual Life in Suite 1048, One North La-

Salle street, Chicago, this week. Superintendent of Agencies C. E. Lindemann and D. C. Remmy, actuary from the head office at Van Wert, O., were on for the function.

F. C. Thomas, vice-president Lumbermen's & Manufacturers Mutuals, Inc., was host, and Miss G. Raulf, cashier of the new agency, was hostess. C. J. Cooney, manager, who will have active charge of the agency, also did the honors. An attendance of some 500 persons was recorded. Buffet luncheon and refreshments were served.

This is the first office of the Gen-

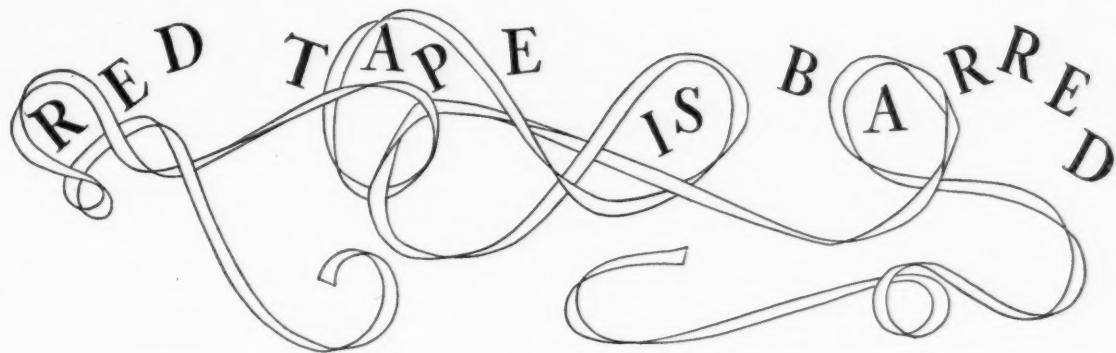
eral Mutual Life in Chicago, it heretofore having been represented, however, by Mr. Kemper, who in his insurance headquarters on Sheridan road, Chicago, had a small life department previously. Manager Cooney will build a full-time agency force, it being planned to have about 12 agents under contract by the end of the year.

An unusual plan of aid to agents is offered, including a direct call list prepared from leads secured through the Kemper group of companies. Mr. Cooney formerly was one of the managers of Continental Lloyds. He also

had much life insurance experience with the Equitable Life of New York and Bankers Life of Iowa.

Florida Deputy Appointed

J. H. Talley has been appointed fire insurance deputy in the Florida department. He went to Florida from Atlanta in 1906 and was special agent for the North America until 1912, when he became a member of the local agency firm of Dorn & Talley of Miami. Later he conducted his own business at Miami and in 1934 he became associated with Philip Head of that city.



It is easier to work with the Agricultural and Empire State

No useless correspondence—reports kept to a minimum—adjustments made promptly—questions answered without delay—personal cooperation with representatives freely offered . . .

These are a few of the long-standing rules that govern agency relations at our home office. Eighty-three years ago our founders laid down certain sound principles from which the management of the Agricultural and the Empire State has never deviated. One of those principles was to maintain always a sympathetic attitude toward the "other fellow."

Here in Watertown we know that you are fighting for new business and to hold your customers in the face of

keen competition. We know you want to spend most of your time on sales and collections. We appreciate local problems.

Hence we do everything possible to conserve your time . . . to cooperate freely in details that will help you give quicker, more efficient service. That our business policies are appreciated is indicated by the gratifying messages that come—unsolicited—from many of our present agents.

* * *

If you are a leading agency in your community, you should be interested in these companies—accepted leaders among the country's more substantial insurance organizations.

Agricultural
Insurance Company
of Watertown, N.Y.

Empire State
Insurance Company
of Watertown, N.Y.

Offering all types of property insurance for industry or the home.

W. U. A. Studies Police Power Plan

(CONTINUED FROM PAGE 3)

the commission allowances question exhaustively and all that has been submitted or recommended has been thoroughly considered by your committee. The recommendations of the governing committee for new legislation occasioned more study and discussions than any other subject confronting this committee in recent years.

"We are convinced of the importance of the conditions as reported and differ from the governing committee report only as to methods to be employed in achieving the results we desire. We are of the opinion that the machinery of our organization in its present form is sufficient for our needs, at least until it has been proved to be inadequate or ineffective. Having in mind the same objective sought by the legislation offered by the governing committee in its report, we submit in lieu thereof for mandatory vote, the following resolution."

The order of business committee also referred to delinquent agency balances, holding that the reporting of such balances to the field clubs is the first essential.

The W. U. A. voted to assist financially the Underwriters Salvage Company of Chicago.

The idea of giving the governing committee some measure of authority in the matter of commissions on side lines has been advocated in some quarters for a long time but it was given new impetus when the St. Louis commission situation came to the fore. In that city some of the companies penalized for having paid excess commissions on fire lines contended they did so to protect themselves against the competition of other companies that were buying fire business by paying excess commission for auto and other lines.

The new proposal did not contemplate giving the W. U. A. jurisdiction over new lines but merely giving the governing committee authority to call for the records of member companies on commission payments in these other lines. There was considerable debate as to just which lines should be embraced in the resolutions and, of course, whether to include inland marine was a difficult question. The discussion was lengthy but entirely free from rancor. All hands were struggling to arrive at a workable and effective formula.

The Eastern Underwriters Association in Article 8 provides that as a condition of E. U. A. membership a company must agree to conform to the rules and regulations of the organizations controlling the various sidelines. The desirability of such a provision in the west was studied.

At a meeting held by the Subscribers Actuarial Committee Tuesday evening, W. P. Robertson, general western manager of the North America, was elected as an additional member. Heretofore there have been five W. U. A. men as directors and one Western Insurance Bureau executive. Now there are seven members in all. Mr. Robertson was elected on motion of Chairman C. R. Street, who is vice-president and western manager of the Great American.

Mr. Street, who has been chairman of the committee for years, took occasion to sing a somewhat enigmatic swan song. He said that some day he intends to retire as chairman, and then added in true Streetian style, "I will retire when I am good and ready to do so." It was an "I do not choose to run" sort of statement, and the author seemed to be getting a lot of enjoyment from the speculation that it started. He did indicate that he has in mind retiring as chairman some time between now and next April.

S. M. Buck, Fireman's Fund, reporting briefly as chairman of the uniform forms committee, referred to the revision in the dwelling and household furniture form. The items covering on "pri-

vate garage and/or private barn" and on "sheds, outbuildings and fences" were consolidated and to the new item was added reference to "walks, pergolas, trellises and arbors."

"This liberalization of the form," he said, "was made at the suggestion of many companies and agents and it is hoped will serve to increase the popularity and salability of the dwelling form."

In the absence of Chairman A. G. Dugan, the report of the committee on fire protection engineering was given by G. H. Bell, National.

After 20 years the status of Underwriters Laboratories as to federal income and capital stock taxes was challenged by the Bureau of Internal Revenue, the report stated. The law firm of Lyons, Cohen, Watters & Baldridge has been retained to handle the case.

During the past 12 months the activities of Underwriters Laboratories "have reached an all-time peak as to volume of test work and related label service and other follow-up."

Mention was made that C. R. Tuttle, retired western general manager North American, had retired as a member of the fire protection engineering committee and as a Laboratories director. There was reference to the new pension plan for Laboratories employees through the Equitable Life of New York.

The governing committee report stated that another regional organization approached W. U. A. through the National Board with a proposal that joint consideration be given to an undertaking to amend the contract so that insurance would not be effective unless the premium had been paid by the insured.

"We discouraged the undertaking," the committee reported, "on the ground that under the practices and under the interpretations the power of the agent to make valid contracts for his principal is no greater than his powers to waive conditions of the contract, and we could not see that fire companies, operating through an agency system, could by contract stipulation place in the hands of its agents cash for policies on delivery. Furthermore, there is a large and growing volume of business controlled by and written for brokers not even remotely under the control of the companies, and our opinion is that in view of the long established custom of providing easy credits and in the present conditions of acute competition a contract stipulation for cash on delivery would be waived so generally as to have the effect of nullifying the requirement."

The special committee of the National Association of Insurance Commissioners submitted to W. U. A. a suggested standard uniform short rate table for annual and term policies with the idea of bringing about nationwide uniformity. W. U. A. has been in touch with the other regional organizations in the matter and is willing to cooperate with the commissioners. The governing committee reserves the right to insist upon minor changes, to recognize long established practice of special treatment in cancellation of policies on "certain separate trade classes."

Reference was made to the fact that two or three building and loan associations in Omaha "objected to the apportionment clause in the supplemental contract and have forced agents to cancel out of the contract the apportionment clause and the tornado coverage, attaching the mutilated contract to a combined fire and tornado policy, thus effectually avoiding the possibility of penalization under contribution feature in the original form."

"The building and loan interests object only to the contribution feature as it may affect the tornado coverage, but the action of the agents is to nullify the application of the apportionment clause to the supplemental covers other than tornado as well." A similar practice af-

flecting building and loan business developed also at Lincoln, Neb.

A conference was held by a representative of the governing committee with some leading Omaha agents.

"The agents," the committee reported, "brought forward several changes and subterfuges, first asking for the Iowa form and then suggesting that a special non-contribution mortgage clause be drawn especially for the building and loan interests to take care of their tornado liability, and others suggested that no change be made inasmuch as the companies appeared willing to write the business under the mutilated form and no property owners were objecting, so that the situation could be quieted by simply doing nothing."

The agents expressed the opinion that a modified errors and omissions, drawn to protect the building and loan companies against penalties under the contribution clause on tornado losses could be sold to these assured, whereupon the supplemental contract form, unchanged, would be accepted.

"The matter is still pending," the committee concluded, "and whatever hope we have of ultimate correction rests upon the genuine desire of Omaha agents to bring about a solution of the whole matter. The willingness of the companies to write building and loan dwelling business under a preferential contract is at the bottom of the whole trouble."

At the meeting last April, the governing committee recalled, a resolution was adopted empowering the governing committee to take jurisdiction of collapse insurance. A subcommittee was appointed. The E. U. A., too, has such a committee. Collapse insurance, according to the governing committee, has not attracted much attention in the west.

Prior to the time rates were promulgated for waiver of the fallen building clause, there were occasional inquiries about rates and forms for collapse insurance, but since then there have been no such requests.

"There is some sentiment in favor of W. U. A. withholding immediate action to establish rates and forms for collapse insurance. In support of this position it has been stated there is very little of the business in our territory; that a very limited number of companies are interested; that to write and service what appears to be an extremely limited volume of premiums will entail a cost disproportionate to the income in prospect and that companies writing the class can well be left to exercise individual underwriting judgment . . ."

"In the meantime, the subject is open for such attention as developments in other jurisdictions or demands in our own territory may suggest as necessary."

The report of the Chicago committee was given by S. M. Buck. That committee consists of Mr. Buck, C. H. Smith, Hartford, and W. D. Williams, Security of New Haven. They and three Chicago agents constitute a joint conference committee between W. U. A. and Chicago Board.

The joint committee, it was reported, recently held two meetings "which have been productive of much good." These discussions will be conducted regularly. The joint committee "is engaged in an intensive study of the general situation in Chicago and Cook county with a view to further constructive improvement."

"While there have been some troublesome problems affecting Illinois and Chicago," the committee stated, "all have either been solved or solutions are in prospect. The settlement of these questions will prove beneficial to the furtherance of better conditions. A year has elapsed under the existing cooperative movement. Your committee has made a careful survey of the results derived from these efforts and we can assure you that conditions in Chicago show a very definite improvement. With the constructive work in progress and in contemplation, not only will recent gains be consolidated but in our opinion further improvement will surely follow."

Much interest was taken in the report of the public relations committee given by J. C. Harding, Springfield. Response to the stock company agency

bulletins has "met all expectations." Some 3,000 letters from agents and field men have been received. Much good will has been created, business secured, morale of the field force improved, education of assured accomplished. One member is having 12 sets of the bulletins specially bound to be placed in leading universities.

The bulletins were characterized by a pro-stock attitude. There has been an absence of disparaging remarks about mutuals and reciprocals. An example of positive salesmanship has been created. The mutuals, according to the committee, have "found it impossible or unwise to criticize our program or any statement made in connection with it. The only exceptions have been two or three unimportant attempts at comeback by field representatives of the mill mutuals."

Beginning this month bulletins, treating appropriate subjects of a more specific nature, will be released periodically; also special bulletins to field men.

The committee is now in position to give specific assistance in competitive situations. The Dauwalter formula for comparing the specific merits of specific stock with specific non-stock companies is most valuable.

The committee referred to the growth of consumer cooperatives and stated that merchants who patronize mutual and reciprocal insurers aid the mutual business principle "which stands for everything they stand against and which now seriously threatens the very existence of many retail establishments."

"For these agencies who do not themselves represent cooperative fire insurance organizations," the committee observed, "this situation is positively made-to-order and should be fully embraced. Never before have capital stock fire insurance people had such an opportunity for effective presentations of their story to the 2,000,000 retail merchants and 175,000 manufacturers in the United States."

Contact has been made with retail lumber and coal organizations in this connection and "similar efforts are in prospect with respect to National Retail Grocers Association, with a view to discouraging or terminating arrangements which many of these groups have established for mutual or reciprocal insurance."

The material in the bulletins has been condensed into five pamphlets for distribution to policyholders. These will be sold to agents through a third party.

C. R. Street presented a memorial in memory of J. H. Lenehan and gave the report on loss adjustments, Cook county, and cooperation in loss adjustment practices.

The roll call at the opening session was answered by 67. This was the first session to be presided over by President A. F. Powrie, and there was much favorable comment on the manner in which he conducted the proceedings and on the delivery of his address.

The high point in the first session came when Mr. Powrie announced the Republican victory in Maine. There was prolonged and hearty applause.

Monday evening there was a session for those interested in producing uniformity as to brokerage payments throughout the country. There was considerable discussion but no conclusion was reached. Sumner Rhoades, secretary E. U. A., was on hand representing the east. J. W. Waller, Aetna Fire, who was present for the meeting of the Stock Company Association, more or less represented the S. E. U. A. S. M. Buck and C. H. Smith were the official conferees representing the W. U. A., but W. U. A. Manager C. F. Thomas and others dropped in. Paul Haid, president Insurance Executives Association, attended.

The committee on order of business held an open meeting Tuesday afternoon to treat the radical proposal for change in commission setup and related matters.

The governing committee held forth Saturday and again Monday. On the latter day, they called in representatives of various companies to make statements and submit to questioning on their practices and setup in St. Louis.

HOLC Syndicate Votes to Handle FHA Risks as Well

HERSHEY, PA., Sept. 16.—The special meeting of the Stock Company Association here Monday evening was brief. The proposed resolutions for a change in the constitution to enable the syndicate to insure properties in which the Federal Housing Administration is interested as well as those in which the Home Owners Loan Corporation is interested were adopted and adjournment was taken. The executive committee then had a session. J. W. Waller of the Aetna Fire, head of the association, presided. Col. Joseph Button, secretary-manager, came from Washington, D. C., for the meeting. Ninety percent of the membership was represented either by proxy or personally.

The question of how to allocate to agents commissions on FHA risks insured through the Stock Company Association is now being discussed with the National Association of Insurance Agents. On all of such risks full, regular commission will be paid, but to whom is the question. Perhaps decision will be made to go back to the last agent on the risk.

In connection with HOLC business, the Stock Company Association has handled risks where the borrower could not or would not pay the premium and on such risks has paid the agent 50 percent of the normal commission. There will be no such classification of business in connection with the FHA, because that agency has no interest until there is a default, FHA debentures are issued to the mortgagor and title is taken by the FHA.

Where the HOLC has foreclosed and taken title and the insurance has been handled by Stock Company Association, the full, normal commission is paid the agent.

The complication arises in connection with FHA because there are interests such as banks, insurance companies, loan companies, etc., in the picture and the local agent is harder to trace than he is in connection with HOLC risks where there is direct dealing between the borrower and HOLC.

FHA came to the insurance companies with the request that an insurance arrangement be worked out. It may be that similar arrangements will be made in the future with other government alphabetical agencies, now in existence or yet to be conceived.

Ace Reinsurance Is Being Promoted by Horace Wemple

NEW YORK, Sept. 16.—Horace Wemple has filed with the SEC a prospectus for the Ace Reinsurance, a fire company. It is projected as a company with \$400,000 capital and \$600,000 net surplus. Mr. Wemple was the organizer of the Reinsurance Corporation of America, which was later reinsured in American Reserve. He had the Nordske Lloyd at one time. His brother, the late William Wemple, was an important re-insurance operator.

The prospectus states that a premium income of \$6,000,000 can be anticipated.

"Bill" Scanlon Good for Cigars

William Archimedes Scanlon of Chicago, associate manager of THE NATIONAL UNDERWRITER, is now double decked. His firstborn was a daughter and this week he has a son. Mr. Scanlon was at Nashville when the alarm was sounded. He caught an airplane for Chicago and overtook the stork at the city limits.

Minnesota Field Outing

MINNEAPOLIS, Sept. 16.—Field men forgot their troubles Sept. 14 and gave the day over to their annual fall outing and golf tournament. About 50 members of the Blue Goose and of the Minnesota Underwriters Association spent the entire day at the Minneapolis Golf Club. At a brief business session

in the morning, E. C. Bowe, Springfield Fire & Marine, was elected a vice-president to succeed L. L. Law, London Assurance, who resigned.

Kurth Is Asked to Handle Halifax Canadian Business

NEW YORK, Sept. 16.—Gratified with the results achieved by the Halifax Fire in the United States under the administration of Wilfred Kurth, head of the Home fleet, directors of the Halifax, have proposed that he handle the Canadian field for the company as well. A. C. Bailey, secretary of the Home and

supervisor of its Canadian business, is now in Halifax studying the situation. The Halifax Fire is the oldest of the Canadian fire companies, having been formed in 1809.

R. A. Laird Married

R. A. Laird, assistant in the advertising department of the North British & Mercantile at the head office in New York City, was married Saturday afternoon to Miss Reve McLachlin, the ceremony being performed in the First Presbyterian church of Newton, N. J.

At West Union, O., the agency of the late J. H. Miller has been taken over by his widow, Estella B. Miller.

THREE VALUABLE AIDS FOR AGENTS That No Other Company Offers

What would you say are local agents' major problems today? . . . It seemed to us that there are several important ones: The coercion, by financial and manufacturing institutions, of insurance on interests beyond their own—particularly the insurance on financed automobiles. . . . Mutual and reciprocal competition. . . . The costly practice of splitting the insurance of one assured among a number of local agents. . . . The influx of incompetent agents, getting business because they say they're "just as good". . . . The increasing costs of agency operation.

So we set to work to help you solve these problems. The results of our study are no panacea for all your troubles. It isn't possible for a company to help agents solve even most of their major problems because so many are local in nature. But these three booklets, the results of more than a year's research in the aggregate, WILL be of practical value in helping you solve for your agency the problems mentioned above.

► There is just one practical plan by which agents may recover new automobile insurance premiums. This plan is outlined in our booklet called "A Profitable Thought, Mr. Banker". It involves no cut commissions, no rebates, no complicated contracts. It provides coverage as satisfactory to the assured as does any finance company, and better than many, plus superior local insurance service which no national finance company offers. This new plan makes available a practical basis upon which automobile sales may be financed by local banks and the insurance written by the automobile buyer's own insurance agent. The booklet will tell your banker how and why he should use this modern, profitable plan.

► Eleven hundred manufacturers and wholesalers in 45 cities in 40 states told us what insurance they have in force, what they pay annually for insurance, what their insurable hazards are, and through what sources they buy insurance. These firms were so selected that the resulting figures give an accurate picture of the insurance buying practices of the leading 12,000 manufacturers and 10,000 wholesalers in America. The facts are available in a sales portfolio called "Why ONE GOOD Insurance Man".

The completed questionnaires were divided into groups of firms that bought insurance by what were proven to be the most economical methods, and by wasteful buying methods. Those firms utilizing the indicated economical buying plan use the least mutual coverage. In other words in the average case it is not true that the use of mutual insurance cuts annual insurance costs.

When your favorite store gives you five percent of its insurance, and an equal amount to each of nineteen other agents who trade there, that's known as reciprocity—or just swapping. The only thing good about the practice is that instead of having to sell insurance you just have to buy some clothes. Our study of insurance buying proved that an assured gets nearly twenty percent more for each insurance dollar by entrusting ALL his

Glens Falls Handy Book Now Out in New Edition

The Glens Falls and Commerce have put out a revised edition of the "Glens Falls Handy Book." It contains many facts and arguments which are instructive and helpful. There is one chapter on "The Why of Stock Insurance." The book is brought up to date. Though issued for its own agents, the Glens Falls head office will sell the book to other agents for \$1 each. It is chock full of practical information.

insurance problems to one good insurance agent. Those buyers who split their insurance among a number of agents are paying for the privilege.

Good agents have long made insurance surveys and often they have been able to prove that those assureds who have surveys made periodically get better coverage and save money. Our study of the insurance buying practices of America's leading manufacturers and wholesalers showed that 15,400 firms that have surveys made periodically get 20 percent better protection for 22 percent less money than do 6,600 firms who don't avail themselves of such service. These figures will help you to demonstrate to important prospects that there are real differences between the service rendered by a competent agent who knows his job and that given by somebody's poor relation.

► There is just one state in the Union where registered mail cancellation is required by law: Iowa. Elsewhere we have authorized the cancellation of fire and automobile policies by first class mail, costing the agent three or four cents each, instead of the old registered mail method costing nearly ten times as much. Agents representing our companies save, on ten cancellations, the equivalent of the commission on a good-sized contents policy. We have available a little booklet outlining the legal and practical basis for this new money-saving plan. The new forms have not been copyrighted—we are glad to make this contribution to the progress of our industry.

Here, then, are three new services, prepared by us for American agents. To interested agents who write us on their business stationery we shall be glad to send copies of any one or all three of these booklets. There is no obligation.

The LONDON ASSURANCE

The MANHATTAN Fire and Marine Insurance Company

The UNION FIRE Accident and General Insurance Company

Ninety-Nine John Street New York

Insurance Ad Men Meet at Rye, N. Y.

(CONTINUED FROM PAGE 5)

business does not sell itself and its services to the public, it will be in danger of being exploited by politicians on the basis of establishment of a government monopoly. He declared that a public aroused in conscience and familiar with the operations of insurance will make it extremely difficult, if not impossible, for politicians to exploit the business to their own political advantage.

Scientific testing of copy during the preparation of advertisements was advocated by W. S. Townsend of Townsend & Townsend, New York. Advertising is the greatest single force for making sales, he said, but it pays only in proportion to its excellence. Through research it has been established that there are 27 basic selling elements which may be used in an advertisement and every advertisement should be audited, dealing with copy and layout, before publication to determine whether or not it contains the necessary selling elements.

This method, he said, will tend to eliminate waste, reduce selling cost and increase sales and earnings. It will readily reveal differences in design which are responsible for variation in results. It will make it just as easy to identify a defective advertisement as it is to recognize a misspelled word. Advertising scientifically constructed, therefore, will pay bigger dividends in the long run.

"The showboat of the world—does it forecast a new vogue in advertising?" was discussed by R. L. Johnson, vice-president of "Time" magazine. He described the new picture publication being brought out by that organization.

W. Leslie Lewis, Agricultural, presided at the meeting and introduced the speakers. A. E. Haase, vice-president and director of sales Rogers-Kellogg-Stilson, New York, had as his topic "Advertising Agency Development." Mr. Haase was formerly editor of "Printer's Ink."

Monday afternoon members of the conference were taken on an automobile trip to West Point.

The Product Up to Need

Following the dinner Monday evening, Kenneth M. Goode, noted writer on economic and advertising subjects, gave an address "Whither do the advertising signs point; how can the insurance advertiser keep pace," in which he said the secret of successful advertising is to tie the product up with the need of the buyer.

Through insurance advertising the public needs to be aroused to the necessity of keeping policies paid up. Insurance is more modern in its advertising, Mr. Goode stated, than most industries. A criticism to be made today of many organizations is that their thinking and business methods are not as progressive as the products they sell. The National Broadcasting Company gave a radio presentation "Symphony of Life." E. P. H. James of that organization spoke on the radio as an insurance advertising medium, pointing out benefits derived from the direct appeal of radio.

David Gibson Presides

David C. Gibson, Maryland Casualty, joint chairman program committee, presided on Tuesday. The power of print was emphasized by H. L. Gage, vice-president Mergenthaler Linotype Company. He analyzed various types of literature distributed by insurance companies pointing out how color and type styles can detract as well as add to pamphlets and letters.

Col. Harold Fowler, first deputy commissioner New York police department, discussed how insurance companies can help police beat the automobile accident problem. He expressed appreciation of the campaign launched by the National Bureau of Casualty & Surety Underwriters and suggested that New York city be made an experimental labora-

tory for the country in working out traffic problems.

The meeting separated into group sessions, R. C. Dreher, Boston and Old Colony, and D. C. Gibson, Maryland Casualty, presiding over the fire group and A. A. Fisk, Prudential, heading the life session. In the fire group, Mr. Gibson discussed the accomplishments of fire and casualty advertisers in national advertising and the results obtained.

W. L. Lewis, Agricultural, led the talk on what is done by companies when they are asked to pay for a part of an agent's special newspaper advertising in connection with special events. "Does controlled circulation affect the value of insurance advertising" was another topic introduced by J. W. Mason, London Assurance. The problems relating to help given agents in advertising were also discussed. An interesting subject was brought up by C. E. Freeman, Springfield Fire & Marine, regarding advertising in association papers.

Speaker in Life Session

Among speakers in the life group was J. A. Pierce, John Hancock, who presented his ideas as to the resistance of the intelligent married woman to life insurance. He suggested that life companies direct their advertising, not specifically to women, but to the feminine psychology which reacts to a certain type of advertising. Harold Taylor, general agent, Mutual Life of New York, told what agents prefer in advertising.

The technical problems involved in color advertising were described by A. H. Thieman, New York Life. A. H. Reddall, Equitable of New York, reported on a study made of the appeal in national magazines of life insurance advertising. Within a year, he said, every type of life insurance is covered by the 16 national advertisers. He questioned the advisability of stressing retirement income too much, thus deviating from the first fundamental of life insurance. Stuart Benedict, Metropolitan, sketched the history of that company's health articles which have now attained a monthly circulation of 25,000,000, an increase of 9,000,000 since the program was started.

Mr. Fisk discussed advertising rates of national magazines and newspapers. He stated that advertisers should join the Audit Bureau of Circulations as a safeguard to themselves. "Insurance Paper Publication Costs" were described by Nora Vincent Paul, vice-president THE NATIONAL UNDERWRITER. The session concluded with a talk by F. E. Hammer, Frank Presbrey Company, on the planning of advertising schedules for next year.

The annual dinner was held Tuesday night with entertainment arranged by Frank Ennis, America Fore group.

Business Development Office Council to Meet

The advisory council of the Business Development Office will hold its first official meeting since organization the evening of Sept. 30 in Pittsburgh in connection with the annual convention of the National Association of Insurance Agents. The session has been called for 8 p. m. at the William Penn hotel.

The office has finished its formative period and is functioning through the headquarters office in New York and joint state committees of local agents and field men. The office was organized March 18 at a joint conference of representatives of the Insurance Executives Association and National association. F. S. Dauwalter is director and M. W. Mays assistant.

No formal agenda has been pre-

pared for the meeting, but it is planned to consider progress and future plans.

The advisory council consists of: Executives' Association—B. M. Culver, president America Fore; O. E. Lane, vice-president Fire Association; G. C. Long, Jr., vice-president Phoenix of Hartford; W. Ross McCain, president Aetna Fire; C. F. Shallcross, U. S. manager North British & Mercantile; National association—President K. H. Bair; W. Owen Wilson, executive committee chairman; Past Presidents W. E. Harrington and A. I. Wolff; former executive committee member, Eugene Battles.

President P. L. Haid of the I. E. A., Secretary W. H. Bennett of the National association and Mr. Dauwalter probably will participate.

Arrangement has been made for two films to be shown in connection with the agents' theater party Wednesday night under direction of A. W. Nelson, assistant to the general manager National Board. These are "The Keystone" and "The Municipal Salvage Man." The final number on the program will be showing of the film "—And Sudden Death." "The Keystone," a single reel silent picture made by the National Board, depicts principles of insurance throughout history. "The Municipal Salvage Man" is a sound picture in two reels, produced in Los Angeles by the National Board and International Association of Fire Chiefs. Agents who desire to present this film in their own communities can arrange to do so through the National Board or Chief R. J. Scott of the Los Angeles fire department.

Will Have a Joint Roundup

Michigan Blue Goose Joins the Grand Rapids Association of Insurance Agents in Outing

The Michigan Blue Goose and the Grand Rapids Association of Insurance Agents will have a joint round up at the Highlands Country Club, Sept. 26. It will start with a golf tournament in the afternoon where the field men will be pitted against the agents. There will also be a bridge party for the women. At 5 o'clock there will be a baseball game and the Blue Goose will again be called on to meet the agents. Dinner will be served in the evening. G. Earle McVoy is chairman of the Grand Rapids agents entertainment committee, Associated with him are H. L. W. Bowles, H. P. Hugenholtz, H. L. Janes, Chris Ten Brook and Charles Watkins. W. P. Van Wormer, Phoenix of Connecticut, is chairman of the Blue Goose committee, the other members being H. W. Knoblauch and John R. Baker, National Union. It is expected that a number of field men will be present at this function.

Grand Rapids Agents Elect

GRAND RAPIDS, MICH., Sept. 16.—Grand Rapids Association of Insurance Agents, at the annual meeting elected David A. Forbes president, succeeding James N. Crosby, Jr., newly elected president of the state association. George C. Blieke was chosen vice-president and H. F. Hagenholz secretary-treasurer. The officers, with Mr. Crosby, H. B. Wilson, and A. B. Millard form the executive committee of which Mr. Crosby was designated as chairman.

Messrs. Forbes and Millard were selected as the official delegates to the National Association of Insurance Agents convention in Pittsburgh. The association also adopted a resolution authorizing an invitation to the state association to hold its 1937 convention here.

Edgar M. Jennings of General Insurors, St. Louis, has been making frequent vacation trips to South Haven, Mich., where his family is spending the summer. Rolla W. Street of General Insurors is vacationing with his family at Harbor Point, Mich.

Chocolate Bar Briefs from Hershey Meeting

Three special cars, carrying about 40, brought most of the western contingent to the Hershey, Pa., meeting of the Western Underwriters Association. That party arrived Saturday morning. Many of the easterners arrived that evening, taking the late afternoon train from New York.

* * *

In addition to Manager C. F. Thomas there were present from W. U. A. headquarters, Assistant Secretary H. W. Chesley, E. H. Born, Miss Mabel Laycock and Wallace Rodgers, publicity expert.

* * *

President Harvey W. Waite and Vice-president H. F. Waterman of the Agricultural drove together to Hershey from Watertown, N. Y.

* * *

R. D. Kingsley, head of the Recording & Statistical Corporation, was on hand.

* * *

Harry Grider, manager of the Western Factory, attended his first W. U. A. meeting.

* * *

R. A. Sellery, manager Western Adjustment, and T. A. Pettigrew, manager of the Underwriters Adjusting, represented the paying tellers department.

* * *

C. F. Sturhahn, president of the Rossia, went to Hershey by motor. He was accompanied by his son, who is located in the New York office of the Rossia, and by B. N. Carvalho, president Metropolitan Fire Reassurance, a Rossia company.

* * *

R. S. Buddy, vice-president Glens Falls, is going from Hershey on a western trip that will take him as far as Denver.

* * *

Harry A. Yates, vice-president National Union Fire, was accompanied by his daughter, Marjorie. They are leaving for a vacation together in the Catskills.

* * *

There are four golf courses in Hershey and some of the more inveterate golfers made a point of traversing each of them.

* * *

Many of the visitors went on the conducted tours of the Hershey factory, industrial school, etc., and were much impressed.

* * *

Paul L. Haid, president of the Insurance Executives Association, was accompanied by Mrs. Haid, and President Wilfred Kurth of the Home was accompanied by Mrs. Kurth.

* * *

C. F. Shallcross, U. S. manager of the North British & Mercantile, was called back to New York early Sunday morning. He left John L. Mylod and R. L. Moule at Hershey to represent the North British.

* * *

Frank J. Wise of H. W. Brown & Co. of Philadelphia, the broker on the Hershey line, was present. The entire Hershey line in this country, as well as in Cuba is insured in stock companies. There is \$20,000,000 on the Hershey factory alone.

* * *

Jesse White, vice-president of the North Star, was among the reinsurance contingent at Hershey.

* * *

R. D. Hobbs was receiving congratulations from all hands because of his appointment as manager of Western Actuarial Bureau.

* * *

Attorney R. J. Folone of the law firm representing the W. U. A. was on hand.

* * *

Rodney Davis, U. S. manager of the Swiss Reinsurance, went to Hershey for a day. He was formerly a western man and took this opportunity to chat with some of his friends in the western field.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

VETERAN BROOKLYN AGENT DIES

H. W. J. Hammond, Brooklyn agent who had been in the business about 40 years, died at Midwood Sanitarium, Brooklyn, after a short illness. He had operated his own agency since 1928, having taken over the business of the E. B. Vandever agency, with which for 17 years he had been conducted. Before that he was for a long time with the Kelly & Fuller agency in New York. The Hammond agency will be continued by the widow, Mrs. Agnes H. Hammond, with assistance of a nephew, Neil McIntosh, cashier of the agency, and T. J. Goetz, who has been in production work in the office for seven years.

* * *

FORGER IN NEW YORK

Appearance of a bad check artist in New York City is revealed by a local agent there, who recently cashed a check for a man representing himself as Charles D. Stowell, president of the Stowell Agency Company, Victor building, Kansas City, Mo. The check was drawn on the Federal Trust Company of Kansas City and the local agent cashing the check has been notified by the Federal Reserve Bank of Kansas City that there is no such institution there.

* * *

WHAT IS ITS PURPOSE?

Scant interest and no concern whatever was displayed by United States representatives of foreign companies in the insurance trade balance exhibit recently issued by the Department of Commerce. The prevailing inquiry of the average manager after perusing the lengthy jumble of figures was, "So what?"

The data presented combine the re-

turns of fire, marine and casualty companies for a series of years, material of no earthly interest to assured and meaningless to underwriters. The material apparently was gleaned from reports filed with the various state insurance departments, for no special inquiry was addressed to the carriers.

What motivated the compilation and what useful purpose, if any, it was intended to serve, puzzles the insurance fraternity. The prevailing belief is that the work was assigned to one of the multitude of new governmental bureaus established in recent years, with no other thought than to keep a staff of the faithful employed.

Moneys received by foreign companies here operating from their respective home offices are reported to the New York department each year, together with amounts remitted. This information is easily obtainable by anyone interested, but of little concern other than to the offices involved. Agents and assured are satisfied with knowing the total assets, deposit capital and other liabilities and net surplus accounts of the carriers licensed in this country, all of which appear in annual state reports and in trade publications.

FIRE LOSSES FOR NINE MONTHS

Fire losses in the United States last month aggregated \$21,714,495, less by 3 percent than those for July, but greater by 20 percent than the record of August, 1935. With the addition of the August figures, the country's fire loss for the first eight months totals \$199,562,447, compared with \$173,891,320 for the like period of 1935, an increase of \$25,671,127. This bears out the early prediction of company officials that continuance of the favorable loss of recent years was not to be expected, and that in due course

the burning ratio would again assume normal proportions. There were no exceptionally heavy individual losses during the past month, the aggregate figures being made up in the main of a considerable number of modest sized claims. Thus far in September, two fires, each credited with a loss of \$100,000 have occurred upon railway property; one at Angle Trail, Ariz., and the other at Savannah, Ga. Insurance in both instances is carried by the railway syndicates.

* * *

BLUE GOOSE LIFE INSURANCE

The New York City Blue Goose has made arrangements with the Bankers National Life of Montclair, N. J., offering a blanket or group policy which is distinct from the insurance that was formerly available. A policy is written for 15 year periods until age 60. The only increase in premiums is at the beginning of the 16th year (second term of 15 years). After the 60th year the insurance continues on the one year renewable term basis. Before the blanket plan can become effective at least 20 ganders must take a total of \$50,000 insurance. No medical examination is required except for those 51 years of age and upward and for members under 51 years taking more than \$3,000 of insurance.

Premiums are to be paid to the pond and remitted to the head office. At age 30 the rate per thousand is \$4.51, at age 35, \$5.02; at 40, \$5.94; 45, \$7.62; 50, \$11.39 and 55, \$17.05. The lowest amount that can be taken is \$1,000 and the highest \$5,000.

HOBBS WELL KNOWN IN EAST

Russell D. Hobbs of Chicago, newly appointed manager of the Western Actuarial Bureau, is both well and favorably known to the executives of the east, having been a frequent visitor to New York, Philadelphia, Newark, Hartford, and other headquarters centers in recent years, and more particularly dur-

ing the past 12 months, when he was acting manager of the bureau, during the absence of his chief, J. V. Parker. Mr. Parker has long been regarded as one of the foremost rate-makers of the country and was always able to more than hold his own when called upon to justify his figures by company committees or state commissioners. Though frequently subjected to severe heckling, Mr. Parker maintained his poise, usually confounding his interrogators through mastery of his subject. Under such a competent tutor it was natural that Mr. Hobbs should have gained in mental stature and to have been selected to replace Mr. Parker as the active head of the bureau. The original Dean schedule, placed in the hands of the then young "Jack" Parker, years ago, has since been so modernized and improved by him from time to time, that it may now be used for the rating of any risk classification, instead of special schedules being required for different types as was true previously.

* * *

An extra 5 cents and the regular quarterly dividend of 20 cents per share has been declared by Crum & Forster of New York.

Liability Has Increased by 23 Percent; Premiums Down

One of the representative company groups, in making an analysis of its western department business for the first six months of this year, found that although its premium income was somewhat less than for the same period in 1935, the amount of liability assumed had increased by 23 percent over the corresponding figure last year. This is a rather graphic illustration of the effect of the rate reductions.

The Armsbarger & Babcock agency, Swanton, O., has been taken over by Clyde W. Babcock.

WINDSTORM

AUTOMOBILE

FIRE

REINSURANCE

INTER-OCEAN REINSURANCE
COMPANY
CEDAR RAPIDS, IOWA

90 JOHN STREET
NEW YORK CITY



114 SANSOME ST.
SAN FRANCISCO

215 WEST 7th ST.
LOS ANGELES

EDITORIAL COMMENT

Work of Reducing Hazards

AN OFFSET to the satisfaction felt by company officials with the continued upswing of the financial market with the resultant appreciation in the value of securities is the growing demand of local agents in widely separated sections of the country for increased commissions and the rate reduction program still in progress. Every company official feels that the existing situation, in so far as fire losses are concerned, cannot in the nature of things long continue, and that when the normal burning ratio is again in evidence, the underwriting profit of the past three years may easily be upset, and perhaps severely so. In such event the need for rate increases will be apparent, but history reveals how difficult it is to elevate rates once the assured have had the benefit of lower figures. Companies would be faced with excessive charges in both the underwriting and expense divisions of their business.

Criticism of the expense element in fire and the casualty lines is often indulged in by property owners unfamiliar as to what enters into this feature of insurance, but they would change their

attitude were they informed as to the money expended for fire and accident prevention by the different types of carriers. The old theory that it was no function of insurance companies to reduce hazards, but simply to rate risks according to classification, has long since given way to appreciation that a moral duty devolves on insurance carriers to safeguard life and property as well as to indemnify for losses incurred.

In keeping with this concept, both fire and casualty companies through associated organizations spend large sums each year in surveying hazards, both community and individual, and suggesting means for their reduction. Through effort of this character, non-assured as well as policyholders derive a positive benefit, and the economic life of the people as a whole is advantaged.

Service of this character, it seems to us, has never been sufficiently stressed by the underwriting fraternity, and yet it is work well worthy of publicity and which, if properly publicized, would go a long way toward winning friends for stock insurance interests all along the line.

Starting Young Men in Service

ASSISTANT SECRETARY A. E. N. GRAY of the PRUDENTIAL in a recent address recalled attention to the number of young men that are entering the life insurance field in various capacities. This was brought to his immediate attention because he had taken a part in appointing four new managers, three in the south, all young men.

This entrance of young men into insurance impresses all with the necessity of gradually keeping the source of supply free and open. There should be at all times young men coming up to fill responsible positions. Any office or organization

that neglects to look forward as well as backward and attempts to recruit men later on, when it is too late to maintain a high standard, incurs a great loss of momentum. After all, the best people to serve an institution are those that it has built itself. The men at the top, the older ones, should ever keep in mind that the day will come when their work will cease and others will have to take their places. There should be a constant flow of new and young material starting at the bottom and being found at various graduation points along the way.

Fire Insurance Loss Ratios

THE "United States Review" in compiling from the "Argus Comparative Charts" the fire insurance loss ratios by states for 10 years gives an interesting exhibit. The last three years have been very profitable fire insurance-wise. The average loss ratio in all states in 1933, was 44 percent. Then in 1934 it dipped down to 39 percent and last year it was exceptional in that the loss ratio was 33 percent.

Let's go back to the three previous years and there is another story to tell. In 1930 the loss ratio was 56 percent, the next 58 and the next 62. During the

10 year period ending 1935, the loss ratio was 49.19 percent, which might be said to be normal. During the 10 year period some states have given a very good account of themselves while others have had a high loss ratio. For instance, Arkansas shows 63.76, Kentucky, 60.77; Mississippi, 63.11; Washington 57.56; Missouri, 59.89; New Hampshire, 56.36; North Carolina, 60.87; Tennessee 62.73; Louisiana 57.8; Massachusetts 56.41. These are all indicative, of course, of a high burning ratio and yet the loss ratios in these states last year were low. Seemingly the highest loss ratios have

been in the southern states. The low loss ratio states during the last decade have been Colorado, 35.42; District of Columbia, 28.8; Pennsylvania, 39.34; Wyoming, 35.81; Connecticut, 36.65; Delaware, 37.75; New Jersey, 40.77; New Mexico, 40.91.

The rating authorities naturally are taking cognizance of the loss ratios over a considerable period of time where conditions seemingly have become permanent. Fire underwriters have questioned the results of the last three years be-

cause they thought that this was an abnormal showing. Undoubtedly 1935 was most unusual. Already losses have mounted during the present year. Fire insurance rates through competition, if by no other means, will respond to actual conditions. Let any state become highly profitable and immediately competition will set in and companies, if they endeavor to hold to the old rates, will be forced to put into effect a decrease or their business will go from them.

PERSONAL SIDE OF BUSINESS

H. H. Cleaveland, Jr., of the Cleveland agency of Rock Island, Ill., recently underwent an emergency operation for appendicitis.

Frank J. Keli, 75, pioneer local agent of Sheboygan, Wis., died there suddenly of a heart attack suffered while motorizing. In 1890 he started as a part-time agent while serving as assistant postmaster, and in 1907 he established a full-time local agency.

Mr. and Mrs. Gordon A. Bubolz of Appleton, Wis., are the parents of a son born in Washington, D. C., where Mr. Bubolz is serving as associate economist of the Farm Credit Administration. He is president of the Home Mutual Tornado, secretary-treasurer of the Home Mutual Casualty and Integrity Mutual and agency manager of the Home Mutual Fire, all of Appleton.

Paxton Mendelssohn, chairman of the fire prevention committee of the Detroit board of commerce, has returned from a three months' sojourn in California and Honolulu.

Miss Virginia Lum, daughter of Assistant General Manager **Charles H. Lum** of the National Board at San Francisco, and Mrs. Lum, will be married Sept. 18 to Charles N. Niebling at Chatham, N. J., Mr. and Mrs. Lum's former home.

W. I. Rowe of Aberdeen, S. D., state agent North British & Mercantile, who has been on the sick list for some time, has been advised by his doctors to take it easy for a while longer. An item a week or so ago indicated that Mr. Rowe had completely recovered and was now back in the field again.

W. H. Wills, head of the Wills Insurance Agency, Bennington, Vt., was nominated in the Republican primaries, which is tantamount to election, for lieutenant governor of Vermont. He has served in the legislature many years and last year was president pro tem of the senate. He is a past president of the Vermont Association of Insurance Agents.

C. E. Hayne, Wisconsin state agent Continental, is convalescing at his home following an operation at a Milwaukee hospital.

David J. Main of Standart & Main of Denver was in Chicago Saturday en route east. He will attend the agency meeting of the National Life of Vermont at Swampscott, Mass., the latter

part of this week, will look in Sunday at the early comers of the National Life Underwriters Association convention and then will go to Atlantic City where the Royal Indemnity has a meeting of its leaders.

Mrs. R. A. Kenzel, wife of the Wisconsin state agent of the Northern of London and most loyal gander of the Wisconsin Blue Goose, is confined to a Milwaukee hospital with pneumonia.

Interest is taken in the announcement that **Philo Higley** of New York City, dramatist and son of the late President C. W. Higley of the Hanover, has married Mrs. Mary G. Graff, the divorced wife of Wilson Graff, the actor. Philo Higley gained renown by writing a play, "Remember the Day," that hit Broadway this year.

C. H. Christensen, who has represented the Northwestern Fire & Marine in the Minnesota field for several years, and will leave soon for Fargo, N. D., to become state agent of the Great American, will be honor guest at a farewell luncheon given by a group of his intimate friends in the home office of the Northwestern Fire & Marine, who presented him a pen desk set.

John B. Tetlow, Illinois state agent of the American of Newark, who is in a hospital at Union City, Ind., having undergone a serious operation for gall bladder trouble, is now recuperating and expects to get back to his home in Peoria soon.

Miss Alice J. Reid, daughter of **Earl A. Reid**, Ohio state agent of the London Assurance, was married in Columbus to Kenneth P. Fristoe.

Benjamin G. Brown, 65, a member of the C. V. Brown & Bro. agency, Chattanooga, Tenn., died there. Mrs. Brown is a sister of R. J. MacLellan, president Provident Life & Accident, and daughter of the late Thomas MacLellan, who founded that company in 1887.

Winfield J. Fuller, 54, president and treasurer of the Winfield Fuller Co., Providence, R. I., died at a hospital there following a collapse at the wheel of his automobile. He had been treated at his office in the afternoon by a physician, but apparently felt better when he left.

Briggs A. Hoffmann, vice-president and sales manager of the Lawton-Byrne-Bruner Insurance Agency Company, has been selected to direct the 3,000 workers in the general subscription division of

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the United Charities campaign in St. Louis this fall. **Fred L. English**, general counsel, General American Life, is general chairman of the campaign.

J. B. Cullison, Jr., manager Rain & Hail Insurance Bureau, Chicago, is bereaved by the death of his father at the home in Enid, Okla. The son attended the funeral service there this week. The elder Cullison was a pioneer. He was born in Henry County, Kan., Sept. 21, 1857, going to Oklahoma in 1893 when the Cherokee Strip was opened, and had conducted a law practice in the state ever since. He was for some years registrar of the government land office in that region, then probate and district judge. He was a supreme court justice from 1928 to 1934. Cullison Sr. was a staunch Republican and active in politics.

Funeral services were held Wednesday for **Senator Harry C. Boeke**, 53, of the Hamilton & Boeke agency, Freeport, Ill. who died Sunday. Mr. Boeke was for many years a prominent local agent in that city and at the time of his death was Democratic state senator from the 12th district. He died following an illness of six months due to a streptococcal infection.

C. A. Howland, 59, president of the Quincy Mutual Fire for 27 years until his retirement in 1935, president of the Massachusetts Mutual Fire Association 1917-1919, a director of the Boston Protective Department and member of the Boston Board and the Insurance Federation of Massachusetts, died at his home in Quincy of angina pectoris.

Godfrey Giersberg, state agent London Assurance in Kansas and Missouri, was signally honored by the company on completion of 25 years of service with it in that territory. The company called Mr. and Mrs. Giersberg to New York where he was honored at a dinner and presented a gold and silver cigarette case, autographed by the president and United States manager of the company.

Mr. Giersberg traveled for the old Shawnee Fire of Topeka, Kan., before going with the London.

H. E. Newell, assistant chief engineer of the National Board, who is mayor of Bloomfield, N. J., has been elected chairman of the Republican committee in his home town.

Smith T. Bailey, veteran Louisville local agent, is reported in a serious condition. He has been ill since Sept. 4.

Sympathy is being extended **B. P. Carter**, president of Gordon, Brown & Carter, general agents, Richmond, Va., because of the death of his brother, Clarence C. Carter, at Farmville, Va.

J. G. Bohannan of Petersburg, Va., counsel for the Virginia rating bureau, created quite a stir in Virginia Democratic circles by announcing that he had decided to cast his lot with the Jeffersonian Democrats, a recently formed state organization opposing the reelection of President Roosevelt. Although unable to vote for Landon, he said that he would "take a walk" so far as Roosevelt was concerned. He has long been active in state politics.

Funeral services were held this week for **George G. Jones**, age about 50, who since 1926 has been in the special service department of the Liverpool & London & Globe, working under the New York office, although having his headquarters with the western department at Chicago. Mr. Jones died suddenly from a heart attack while returning on the train to Chicago following a business trip to Green Bay, Wis. He suffered an attack of a similar nature about a year ago in the Union Station in Chicago but had

Ohio Farmers Building Golf Course in LeRoy



C. D. McVAY

A nine hole golf course, including the most diabolical hole, the most scenic hole, and the biggest green (82 square feet) in Medina county, is being constructed by the Ohio Farmers on a 55 acre farm, which the company has owned for some time in the Ohio Farmers' town of Le Roy, O. This is the absorbing business of Le Roy, as the officers and employees are watching every step in the construction. It is scheduled for completion next May.

This is a project the company has had under consideration for several years. With a golf course at hand, the Westfield Inn, the attractive institution operated by the Ohio Farmers, is expected to enjoy an even more flourishing week end trade than it does now—although it would seem that a larger trade would necessitate a larger inn. Then the golf course will provide a new means of entertaining agents and their clients and other friends of the company. It will be a fee course and C. D. McVay, vice-president and general counsel, anticipates that the investment will return a good yield; the farm has never been tilled. All of these reasons plus, of course, a convenient playground for Ohio Farmers' executives and employees.

Mr. McVay is the general overseer in the enterprise and he is delighted with what has been platted. He is especially proud of the fact that on a 55 acre tract has been laid out a course of 3,120 yards. The terrain is uneven and a sporty course is in the making.

A cow barn that is well constructed is being converted into a club house. Mr. McVay, looking ahead a few years, sees a swimming pool by the erstwhile cow barn, with the water being routed through the pool into the system for watering the greens and fairways.

recovered and his sudden death was unexpected.

Mr. Jones had been in the insurance business for many years and was well known in the Chicago and mid-western territory. He received his early experience in Texas and on June 1, 1919, went to the western department of the L. & L. & G. at Chicago as superintendent of the farm department, succeeding Chester E. Parks, who is now manager of the farm department of the National of Hartford, in Chicago. Mr. Jones continued in the farm department until 1926 when he entered the special service department, working under the New York office, though retaining his headquarters with the Chicago branch. Mr. Jones specialized on use and occupancy and general cover and traveled through several mid-western states.

"When a man is no longer faithful to his purpose, destiny deserts him."

—NAPOLEON.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Illinois-Iowa Issue Is Seen

Agents of Tri-Cities Are Much Concerned Because of Threat to Halt Non-Resident Brokerage

Local agents of the tri-cities of Rock Island and Moline, Ill., and Trans-Mississippi Davenport, Ia., are much interested in the action of the Illinois department in taking steps to halt Iowa agents from handling Illinois business.

Iowa agents that have Illinois non-resident brokers licenses have been notified by the Illinois department that these licenses will not be renewed after March 1, 1937. Applicants for new licenses have been turned down.

The Illinois department is taking this step on the ground that there is no provision in the Iowa law for licensing non-residents, except for life insurance.

Iowa Department Interested

The Iowa department has become interested. Insurance Director Palmer of Illinois and Deputy Commissioner M. V. Pew of Iowa attended the meeting of the Iowa Association of Insurance Agents in Davenport and had a conference. Mr. Pew states he will investigate the possibility of legislation providing for licensing of non-residents. If such legislation is enacted this winter, an issue will be averted.

Iowa agents say that although there may be no provision for licensing non-residents, as a matter of fact big brokers from other states control large risks in Iowa.

Agents of Rock Island are concerned because of the danger of retaliatory action on the part of Iowa that would deprive Illinois agents of the right to handle presently controlled business across the river.

Get Behind Insurance Day

All Cleveland and Ohio Organizations to Celebrate Occasion at Great Lakes Exposition

CLEVELAND, Sept. 16.—All Ohio and Cleveland insurance organizations are uniting to make Insurance Day at the Great Lakes Exposition Oct. 2 a big success.

Sponsors of Insurance Day include: Superintendent Bowen, the Ohio Fire Underwriters Association; Cleveland Life Underwriters Association; Cleveland Field Club; Casualty Underwriters Association of Cleveland; Insurance Board of Cleveland; Cleveland Accident & Health Association; Ohio Association of Life Underwriters; Surety Association of Cleveland; Ohio Association of Insurance Agents and Ohio Association of Fire Underwriters.

Hundreds of executives, field men and agents will gather for the occasion. As a special attraction for the day, the Ohio insurance department has prepared an exhibit detailing its operations.

In addition to the solid support of state and local associations, it is expected that many from out of Ohio will be on hand to celebrate "Insurance Day" including many from the National Association of Insurance Agents' convention at Pittsburgh which completes its program on the morning of that day. Special tickets may be obtained from the offices of the Insurance Board of Cleveland, 241 Euclid avenue, or the Cleveland Life Underwriters Association, Hotel Statler. The special tickets, entitling the bearer to regular admission and admittance to many concessions have been granted by exposition officials at the reduced price of 60 cents.

Burns Is St. Paul President

S. C. Aldridge, Retiring Chief, Says Reduced Commissions to Agents Are Inevitable

ST. PAUL, Sept. 16.—At the annual meeting of the Insurance Exchange of St. Paul, Robert A. Burns of the Fitzhugh & Robert A. Burns agency was elected president; John F. McGee, vice-president and H. S. Matteson reelected secretary-treasurer. Mr. Matteson reported the exchange in healthy financial condition with cash on hand exceeding \$2,700 and practically all bills paid.

Warning that reduced commissions to agents are inevitable, S. C. Aldridge, retiring president, expressed the belief that in the long run it will do more good than harm.

"Lower commissions must come in the course of the next few years if the stock companies are going to be able to compete with the mutuals and reciprocals," said Mr. Aldridge. "In my opinion this will benefit the full time, legitimate agent. At the present time, commissions are too easily distributed among too many agents. When they are reduced it will have the effect of driving many of the chiselers out of the business."

Licensing by Municipalities

Mr. Aldridge also predicted that licensing of agents by municipalities is bound to come and he believes this, too, will inure to the benefit of the local agent by weeding out many of the undesirables now in the business.

In retiring as president of the exchange to become president of the Minnesota Association of Insurance Agents, Mr. Aldridge recommended that the exchange launch a vigorous campaign to get laundry and auto sales business away from the reciprocals, which now write the bulk of that business in St. Paul.

"I see no reason why we should stand by and let this business go to outsiders," he said.

Free dinners have proved a success in getting out the membership of the exchange and Mr. Aldridge recommended that the free dinners be made a regular feature of the quarterly and annual meetings. Previously each member paid for his own dinner and the attendance was not always what it should have been.

Yetka Defiant on Politics

Answers Attacks at Minneapolis Association Meeting—Explains Qualification Questionnaire

MINNEAPOLIS, Sept. 16.—In a defiant talk before the annual meeting of the Minneapolis Underwriters Association, Commissioner Yetka of Minnesota served notice that his department is to be kept entirely free of politics as long as he is its head.

It was the first time that he took public cognizance of attacks made upon him as a result of the agents' qualification questionnaire circulated in Minnesota last spring.

"I am about ready to show my teeth a little," Commissioner Yetka said after he had discussed the recent attempt to make political capital out of his questionnaire.

"I did not want this job as insurance commissioner and did not need it; it was wished on me," he said. "If the politicians succeed in getting it away

from me I will gladly step out but I serve notice right here and now that if that happens I will be in a position two years hence to name the next insurance commissioner of Minnesota."

Commissioner Yetka paid a high compliment to the insurance agents of the state who were the first to take up the battle in his defense when the row over the questionnaire broke out.

Mr. Yetka said it would be several months before all the data gathered in the questionnaire could be digested.

Henning A. Blomgren of Charles W. Sexton Co., L. E. Hatlestad of David C. Bell Investment Co. and Wesley J. Kelley of the James C. Hazlett agency were elected directors of the association. They will elect the officers.

President Caswell Reports

In his annual report President Austin B. Caswell recommended that the insurance organizations propose more constructive legislation rather than center their efforts on defeating undesirable bills at each session. He urged specifically a law to provide for enforcement of agents' qualification based upon the survey now being made by the state insurance department.

Others who spoke briefly were C. F. Liscumb, Duluth, National association executive committeeman; P. H. Ware, secretary-manager Minneapolis Underwriters Association; C. B. Helm, secretary Insurance Federation of Minnesota; E. C. Huhnke, chairman of the executive committee, and S. C. Aldridge, president of the Minnesota Association of Insurance Agents; R. A. Burns, president St. Paul Exchange; Harry Levant, Evelleth; C. O. Brown, Rochester; A. A. Hermann, president Southern Minnesota Regional Association, and F. W. Matson, chairman of the Minnesota public liability safety committee.

Ohio Business Is Off and Losses Higher This Year

COLUMBUS, Sept. 16.—It is estimated that fire premiums were off 5 percent or more in Ohio the first half of this year compared to the same period last year. Losses are considerably higher, ranging as much as 100 percent more in some cases, largely as a result of the prolonged cold weather in February and March and the drouth later.

Premium decline may be attributed to several factors. The reduction in rates on fire resistive buildings and preferred risks is an important item, some of the premiums being cut 50 percent. Fire companies are attempting to arouse the agent's interest in other fire lines such as use and occupancy, leasehold and inland marine lines in order to maintain his volume of fire premiums. Last year was a good one for the fire companies, marking the beginning of business revival, and there was considerable rewriting of business because of the supplemental contract. There is a feeling that the fire business will be comparatively quiet for some time with greater emphasis on casualty and inland marine. Although residence construction has appreciably increased, it is insufficient to compensate for the reduction in rates on fire resistive buildings.

Another factor to be taken into consideration is the increased activity of such organizations as the Western Factory, Western Sprinkled Risk and Underwriters Service. The service associations are aggressively going after the larger preferred risks and are assisting agent to get and retain this business in his community. If the business was previously written in the regular way, the business is no longer reported in the agency business, although the same company may be carrying the line.

Several large lines have been secured recently by the stock companies which

Insurance Teacher



C. O. RANSOM

CLEVELAND, Sept. 16.—C. O. Ransom, former president of the Insurance Board of Cleveland and one of Cleveland's best known insurance men, has been named instructor of the insurance course to start at Fenn College with the opening of school next week. This course in "Property Insurance" will be offered every Thursday evening from 7 to 9 p. m. and will take up the principal factors involved in dealing with insurance from the viewpoint of the business man as well as from the agency viewpoint. It will embrace both fire and liability insurance in their many forms. Clayton G. Hale, former instructor of insurance at Fenn, has been granted a leave of absence.

were written in other groups of companies such as one-half of a large office building here, and \$800,000 line in East Liverpool and another large risk in Dayton.

Missouri Democrats Ignore O'Malley Issue in Platform

JEFFERSON CITY, MO., Sept. 16.—Republicans under the leadership of Jesse W. Barrett, candidate for governor, intend to make the most of Superintendent O'Malley's battles with the fraternals. The Democratic party leaders, on the other hand, at the convention here decided to ignore the fraternal fight after turning down a personal request from Mr. O'Malley that the party endorse his proposed new insurance code. The Democratic platform merely confined itself to an endorsement of the elective officers of the state, including Governor Park, who appointed O'Malley superintendent.

The Republican platform has this to say about insurance: "We favor amendments to improve the workmen's compensation law. . . . We shall stop the oppression of the fraternal insurance societies and we pledge fair and honest enforcement of all insurance laws to the end that all policyholders of life, fire, and other companies or organizations may be properly protected."

W. C. Ploeser of Ploeser-Moseley-Watts, St. Louis, was chairman of the resolutions committee for the Republicans. He also is a candidate for the state senate. John J. Nangle, vice-president Utilities, St. Louis, was reelected treasurer of the Democratic state com-

mittee. J. P. Aylward of Kansas City, attorney for Superintendent O'Malley in the tax suits against the fraternals, was reelected Democratic state chairman.

Terre Haute, Ind., Tornado Loss Reported as \$300,000

About \$300,000 in losses are reported as a result of the tornado which caused widespread damage to a large portion of the residential section of Terre Haute, Ind., about two weeks ago. Of the total losses, about \$250,000 are insurance losses, representing about 5,000 claims. The Western Adjustment and the Underwriters Adjusting of Chicago have rushed extra staff men to the scene to speed up the work of settling claims and several independent adjusters have also been hired to assist in the work. The damage was largely confined to the roofs and exteriors of dwellings. No fire damage was reported. The two adjusting offices have had an extremely busy year, the last few months of which have been characterized by several tornado and windstorm losses. During the summer a hail and windstorm caused losses of almost \$100,000 in Milwaukee and Milwaukee county; a similar storm caused losses of almost \$1,000,000 in Omaha, followed by another causing considerable damage in St. Louis.

Most of the claims in the Terre Haute storm are small, running from \$10 to \$50, with a few running to several hundred dollars.

Hilgemann Renominated as Milwaukee Board President

MILWAUKEE, Sept. 16.—At the September meeting of the Milwaukee Board the following nominations were made: President, L. C. Hilgemann; vice-president, Val. Gottschalk; treasurer, W. F. Lynch, all incumbents; directors, Theodore Johnson, Joseph Williams, Harold Smith and Benjamin Weil, three to be elected. The annual meeting will be held Oct. 21 instead of Oct. 14, owing to the annual meeting of the Wisconsin Association of Insurance Agents at Kenosha, Oct. 14-15.

The board authorized the sending of three delegates to the National Association of Insurance Agents convention at Pittsburgh. They will be announced shortly by President Hilgemann.

President Hilgemann announced the new property insurance course of the extension division of the University of Wisconsin and urged members to induce their solicitors and office employees to take this course.

Governor Horner of Illinois Makes Pledge to Insurance

The Illinois insurance department staff and work have improved tremendously in the last four years, taking front rank among the state departments, Governor Horner of Illinois stated in a letter to the Illinois Insurance Committee this week, and, "so long as I am governor the policyholders of this state may expect—and will have—a sound and impartial administration of the insurance laws, and those laws will be amended and strengthened as occasion requires, and I shall appoint to office in that department only men capable of giving that sort of administration." The Illinois Insurance Committee is nonpartisan and seeks to retain Ernest Palmer as insurance director. Campaign activities of the committee will be of an educational nature, stated R. L. Davis, state chairman. "A great many men and women in the insurance business throughout Illinois do not realize how efficiently the insurance department has been operated nor the volume of business it supervises in Illinois. As Illinois ranks third in premium volume, it clearly demonstrates the necessity of

safeguarding policyholders through the enactment and strict enforcement of the insurance laws of the state."

Among insurance men of Illinois who have accepted appointments on the advisory committee are: Allan I. Wolff, Associated Agencies; C. F. Nolan, Nolan & Co.; F. C. Bracken, Bracken-Cameron & Co.; M. A. Zitzmann, general agent Midland Mutual Life, all of Chicago; T. A. Lauer, Northwestern Mutual and past president Joliet Life Underwriters Association; K. H. Sullivan, John Hancock Mutual Life, Quincy; J. J. Freund, Freund Agency, DeKalb; M. B. Marxin, Freeport; J. L. McGinnis, agent Metropolitan Life and past president Joliet Life Underwriters Association; C. M. Larimer, agent Alliance, Tuscola; C. J. Komaike of S. B. Komaike & Co., Chicago; J. Hawley Wilson, Massachusetts Mutual Life and past president Life Underwriters Association of Peoria.

Elgin, Ill., Board Outing

The Elgin (Ill.) Board of Fire & Casualty Underwriters will hold its field day, Sept. 29 at the Elgin Country Club. There will be a golf tournament in the afternoon following lunch, and a dinner will be given in the evening. Field men are cordially invited to attend. The local board was organized about six months ago and this is the first party of the kind. A large attendance is expected.

Quincy Board Outing

The Quincy, Ill., Board of Fire & Casualty Agents is making elaborate preparations for its outing Oct. 7. A golf tournament will start in the morning, there will be a luncheon and the tournament will be continued in the afternoon. There will be a dinner in the evening. Cully Winters and V. G. Muselman have general charge of the arrangements for the banquet together with presentation of prizes. Maurice Vasen and Victor Winters will have charge of the golf tournament and Eugene G. McAdow, executive special agent of the Great American, has charge of the bridge tournament. Will Binkert, Jack Cruttenden and Harry Hofer are members of the general reception committee. Max Freiburg and Donald Binkert will be given charge of the locker room entertainment, whatever that may be.

Insurance Courses in Cincinnati

Xavier University, Cincinnati, is offering courses in both fire and casualty lines at its downtown college. The registrations are being accepted up to Sept. 21, the first semester starting Sept. 24. G. B. Maggini, fire manager Perkins & Geoghegan, will be the instructor for the two credit hour course in fire insurance and allied lines and T. J. Kilday, secretary Perkins & Geoghegan, will be the casualty and surety course instructor. Classes are held from 6:45 to 8:30 Thursday. Tuition is \$20 for one subject for two semesters.

Jenifer Heads Shipley Agency

E. S. Jenifer has been appointed president and treasurer of the Shipley agency, Cincinnati, succeeding the late Elizabeth Shipley. Mr. Jenifer entered the insurance business in the office of J. M. DeCamp, who was general agent at Cincinnati for the Royal. He served overseas during the war. In 1931 he went with the Shipley agency, recently serving as secretary.

Oppose Michigan Amendment

DETROIT, Sept. 16.—Insurance men are much concerned over the attempt of real estate speculators to put over a constitutional amendment which would entirely eliminate the real estate tax and substitute for it a state income tax. The proposed amendment will go on the ballot at the November election.

Insurance men are convinced that should the amendment pass, fire and

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police protection will be drastically curtailed throughout the state, resulting in an increase in insurance rates and a generally chaotic condition in the insurance field. It would be impossible for the legislature to set up substitute taxes before the 1937 session and they could not be collected before 1938, leaving at least a full year during which there would be no tax money available for fire and police departments.

Ohio Regional Meetings

Raymond Rhoads, assistant to the superintendent, and L. U. Jeffries, warden of the Ohio department, are cooperating with Senator John A. Lloyd, secretary of the Ohio Association of Insurance Agents, in a series of regional meetings now under way. At these meetings Senator Lloyd has discussed the insuring of financed automobiles. Meetings have been held in Minster, Fostoria, Mt. Vernon, Warren, Chillicothe and Dayton.

Julian Addresses Montreal Club

R. E. Julian, assistant manager Ohio Inspection Bureau, addressed the Mutual Fire Insurance Club of Columbus Monday, on "Rates and Practices of the Ohio Inspection Bureau." S. E. Hanawalt of the Mill Mutuals is president of the club.

Opens Grand Island Office

The Western Adjustment is opening an office at Grand Island, Neb., in charge of Paul G. Gordon, resident adjuster, formerly attached to the Parsons, Kan., office.

Milwaukee Agency Moves

The Rebhan Insurance Agency of Milwaukee has moved its quarters from 125 East Wells street to the Railway Exchange building, 229 East Wisconsin avenue, in that city. Ray J. Rebhan, present head of the agency, is the third generation in what is one of the oldest agencies in Milwaukee. The business

was founded by Mr. Rebhan's grandfather, Joseph Phillips, in 1876. It was continued by August Rebhan, Mr. Phillips' son-in-law, and upon his death in 1927 he was followed by the present Mr. Rebhan.

Flint Association Elects

FLINT, MICH., Sept. 16.—New officers have been elected by the Flint Association of Insurance Agents as follows: President, Ivan A. MacArthur; vice-president, J. E. Mayfield; secretary-treasurer, W. J. Mooney. Mr. MacArthur, who was vice-president last year, succeeds G. S. Newcombe.

Mutual for Cooperatives

The Midland Mutual Fire has been incorporated in St. Paul to handle the insurance business of co-operative concerns doing business in Minnesota. It will be affiliated with the Midland Cooperative Wholesale Company, which is owned by a group of local cooperative concerns scattered over the state. Incorporators are A. N. Howalt, E. G. Cort and John Vandermyde.

Range Association Elects

CHISHOLM, MINN., Sept. 16.—At a meeting here of the Range Underwriters Association the following officers were elected: President, William Knudsen, Hibbing; vice-president, H. I. Bastien, Grand Rapids; secretary-treasurer, I. R. Sher, Hibbing; members executive committee: P. S. Engman, Virginia, and Sherman Talle, Eveleth.

Four new members were added. The next meeting will be Nov. 5 at Hibbing with J. Golob in charge.

Clarke Smith to Speak

Clarke Smith of the agency development department of the Royal-Liverpool group, New York City, has been added to the program of the Kansas Association of Insurance Agents con-

vention in Wichita Oct. 7-9. Mr. Clarke will be the headliner of the Thursday program, speaking at the morning session on "Insurance Selling." Walter H. Bennett, secretary of the National association, will be the feature Friday morning in his first appearance at a Kansas convention.

An opening get-together will be held Wednesday night. It is in charge of John H. Burns, Jr., entertainment committee chairman.

The Kansas Fire Underwriters Association is conducting an essay contest in connection with the agents' convention. A similar contest was sponsored in 1935 by the Kansas field men of North America.

Kansas Fire School

A state fire school will be held Oct. 26-29 by the Kansas State Fire Association at Lawrence, in connection with the University of Kansas and the Kansas state board for vocational education.

Rogers on Exposition Program

Harry K. Rogers, "Fire Clown" with the Western Actuarial Bureau, Chicago, will be featured one night at the Kan-

sas Diamond Jubilee Exposition in Wichita Oct. 7-17. The fire prevention committee of the Wichita Chamber of Commerce is arranging a fire prevention demonstration.

Sheffler in Air Tour

Orville Sheffler of the Sheffler-Cunningham, Wichita, Kan., adjusters, will fly in the annual Kansas air tour Oct. 1-4, which will visit 21 towns. Mr. Sheffler will carry a Fire Prevention Week banner on his plane in cooperation with the state-wide campaign of the Kansas State Fire Prevention Association.

Dodson Incorporates Agency

The Heart of America Insurance Agency, Kansas City, has been incorporated by Bruce Dodson, Harvey T. Brock, E. L. Sherard and D. L. Davis.

Manitowoc Board Dinner

Members of the Manitowoc (Wis.) Insurance Board entertained their wives and office staffs at a dinner dance. About 40 attended.

Virgil Martin has been made assistant manager of the Wells-Bowman Agency, Toledo, O.

IN THE SOUTHERN STATES

Pearl's Action Is Important

Speculation Rife as to Effect on the Merchants of New York and Buffalo

ATLANTA, Sept. 16.—Definite refusal of the management of the Pearl Assurance to sign the agreement of the Southeastern Underwriters Association, pledging withdrawal from agencies representing non-affiliating companies as a condition precedent to its longer receiving rates and stamping office service from the governing body, induces the speculation as to the attitude of the Merchants of New York and the Buffalo Fire, should a similar proposition be laid before them.

Neither of the last two named companies is a member of the S. E. U. A. Each, however, is furnished its rates and stamping office privilege, for which service it pays 75 percent of the full member assessment. The arrangement under which both offices operate was effected some years ago, and has since been faithfully carried out by the respective interests. Neither company has ever been accused of rate-cutting or indulging in other unethical practice. Each has its own scale of agency commissions, well known to their association competitors, and the arrangement has worked along without friction of any kind.

Under the existing agreement either party thereto desiring to withdraw must give 60 days notice to the other prior to either Jan. 1 or July 1 of each year. Thus far no such notice has been given either on behalf of the association or of the companies, and hope now is expressed by local agents that an amicable adjustment of the troublesome agreement feature may be worked out, obviating thereby the joining of an issue. While it is unthinkable that either the Merchants or the Buffalo, if refused rating service, would embark on a rate-cutting spree, the fact that these two companies as well as the Pearl and the General of Seattle were outside the breastworks would have distinctly disquieting effect.

agency. The city has outgrown its water supply and the present equipment of the fire fighting department, he said. Although stating definitely that fire insurance rates are not involved, he pointed out that the water mains should be increased, and the general pumping and distributing equipment should be brought up to date. New fire stations are needed and the fire fighting equipment is badly in need of replenishment to protect the city against fire, under such perilous conditions as now prevail because of the continued drought and lack of water.

School Directors Not Liable

LITTLE ROCK, Sept. 16.—L. B. Leigh & Co., general agents, have been advised by the attorney-general's office that school directors are not liable for a contract made by them beyond their authority, but that a school district or its directors may be used by a resident or a non-resident to enforce contracts. Directors, however, are not personally liable for a contract of the district unless the director intended to bind himself by terms of the contract, the opinion said.

Graham Is Texas Chairman

DALLAS, TEX., Sept. 16.—R. S. Graham has been elected chairman, and C. G. Wells, vice-chairman of the Texas Fire Prevention Committee. Mr. Graham is a member of the Gross R. Scruggs general agency at Dallas. He succeeds R. C. McConnell of the Royal, who served as chairman for a number of years. Mr. Wells is head of Beers, Kennison & Co., Galveston general agency. It is under the direction of this committee that the checking office in Texas is operated.

Piedmont Fire in Texas

The Piedmont Fire of the Aetna Fire group has been licensed in Texas. Julian E. Fruitt has been appointed general agent for the entire state with headquarters at Houston, where he is establishing a new general agency. He has had a number of years' experience with Cravens, Dargan & Co. in that city.

Increase in Alabama Revenue

BIRMINGHAM, ALA., Sept. 16.—License fees and tax collections made by the Alabama bureau of insurance total \$918,047 so far during the present calendar year. Collections amounted to \$755,436 for the entire 12 months of 1935, and \$691,810 for the year preceding. Escaped revenue rounded up by

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(Continued next page)

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the bureau, it was announced by Superintendent Julian, exceeds the entire operating expense of the department.

Mauk Urges Civic Action

Fire Insurance Commissioner Mauk of Texas sent a letter to all city fire marshals telling about Fire Prevention Week and enclosing copies of home inspection blanks for school children. He also addressed the presidents of all local insurance boards, urging the members to get busy and cooperate with city officials.

Harrison to Be Back

ATLANTA, Sept. 16.—W. B. Harrison, former Georgia comptroller general and insurance commissioner, who was ousted from office by Governor Talmadge last February, won in the Democratic primary over Homer C. Parker, appointee of Governor Talmadge. Mr. Harrison will resume his duties in January as the nomination is paramount to election.

Opens New Agency in Tulsa

George A. Jowers, who started in insurance work in 1922 with L. B. Leigh

& Co., Little Rock, Ark., has opened his own agency in the Daniel building, Tulsa, Okla. He has served with the Arkansas Fire Prevention Bureau and the Oregon Rating Bureau and has been in insurance work in Tulsa since 1929.

Continues Oklahoma Hearing

The Oklahoma insurance board continued its hearing on reduction of fire insurance rates on cotton compress and warehouse rates until Oct. 6. Reduction of approximately 65 cents is being sought.

Southern Notes

Roy Donham, Little Rock, former president of the Arkansas Association of Insurance Agents, spent a few days in Dallas and Fort Worth visiting the centennial expositions and renewing insurance acquaintances.

Miss Alyene Arnold has become manager of the insurance department of the Seals & Keith Realty Company, Wichita Falls, Tex. H. C. Hill has been added to the company's staff as insurance solicitor.

The Fire Companies Adjustment Bureau has opened an office at **Tupelo**, Miss., with offices in the Bank of Tupelo building. Fred P. Cooke, adjuster is in charge. A. D. McBryde, manager at Jackson, will continue his supervision over the territory.

Huntington Park and Santa Ana. Similar meetings with Mr. Colridge and G. C. Appleton, vice-president, as the principal speakers, were held during August and early September at Stockton, Willows, Petaluma, Oakland, San Jose and Fresno.

The California association will be officially represented at the National association convention in Pittsburgh by President Welsh, Vice-president Appleton, Ed. H. Pickett, national councillor, and Secretary Colridge. Others who will take a prominent part in the National convention are: William H. Menn of Los Angeles, national executive committeeman, and Eugene H. Battles of the national conference committee. Both Mr. Menn and Mr. Battles are past-presidents of the California association. The Los Angeles Exchange will be represented by Harry Perk, Jr., its vice-president. George Watrous will represent the Sacramento Insurance Exchange.

Lyle Adjustment Expands

The Lyle Adjustment Company of Phoenix, Ariz., is this week opening a new branch office at Flagstaff, Ariz., with quarters in the Masonic building there. The Lyle Adjustment Company was organized seven years ago at Phoenix, opening its first branch office a year later at Tucson. The new office at Flagstaff will be the only adjusting office within the radius of about 200 miles.

Brunn With Wicks Co.

SALT LAKE CITY, Sept. 16.—John T. Brunn, who has been with the Firemen's group, has become treasurer in charge of operations for the E. B. Wicks Co. of this city.

Ingham Pasadena President

James K. Ingham was elected president of the Pasadena (Cal.) Association of Insurance Agents at the annual meeting. He has been in the business 12 years and is head of Ingham & Sizer. James Cox was elected vice-president; Helen Thomas, treasurer, and A. F. Sadler, secretary.

Plans School for Women

Kenneth Yerke of the Hollywood (Cal.) insurance agency of Landi, Kennell & Yerke has announced plans for a new insurance school for women desirous of increasing their knowledge of the business. For several years Mr. Yerke taught insurance at Southwest University in Los Angeles.

Bowen with Portland Bank

PORTLAND, ORE., Sept. 16.—A. P. Bowen, well-known Portland insurance man, has been appointed to have charge of the insurance department of the Portland Trust & Savings Bank. He has been in the insurance business in the city for 15 years, recently with the T. J. Mendenhall agency.

Miscellaneous Notes

Charles Harrison of Dulaney, Johnston & Priest, Wichita agency, is recuperating following an appendicitis operation.

Mrs. Martha A. Pressler, Montpelier, O., has taken over the insurance agency of her late husband, J. W. Pressler.

L. H. Noble has joined the W. J. Burdick & Sons agency, Kalamazoo, Mich. A graduate of Western State Teachers College, he has been with the Rex Paper Co. for some time.

The **Keweenaw, Ill., Underwriters Association** will have its third annual picnic and golf tournament Oct. 1. The golf tournament will be at the Midland Country Club and the dinner at the Parkside Hotel.

Announcement is made of the marriage of Miss Mary Hill of New Holstein, Wis., and **Ronald Dhein**, associated with his father in the Dhein Insurance Agency, Chilton, Wis.

The **Citizens Insurance Service**, which has been incorporated in Columbus, O., has elected Mansfield J. Almack, who is connected with the state department of education, as president; George Hayden, Newark, O., vice-president, and P. H. Ludman, Zanesville, secretary-treasurer. Temporary offices are in the Buckeye building in Columbus.

New Executive Committee Chairman in Washington



HARRY E. BRIGGS

The new executive committee chairman of the Washington Insurance Agents League, Harry E. Briggs of Seattle, together with Irwin Mesher, executive secretary, will represent Washington at the Pittsburgh meeting of the National association. His agency is known as H. E. Briggs & Co. He was one of the first agency association leaders in that section of the country. According to precedent, he should be president of the Washington association next year, the executive committee chairman usually succeeding to the presidency.

He has taken a keen interest in agency organization affairs ever since he entered the business. He started as a solicitor in Seattle in 1908 and in 1914 launched his own firm. He has been constantly active on numerous committees of the local, state and national associations. He was president of the former Seattle Insurance Exchange in 1926 and since that time has held the offices of vice-president of the State League and regional vice-president of the National association, before the post of the national councillor was established.

Mr. Briggs attended the National association meetings in 1925 in Kansas City and at Atlantic City in 1926. At the Kansas City convention he spoke on "Office System and Accounting," describing a simplified plan of "unit entry accounting" which he had been instrumental in developing together with a group of fellow members of the Seattle Exchange. This system is now generally in use in insurance offices throughout the country.

Mr. Briggs has one son who is entering the University of Washington this fall and who will enter the agency business with his father when his education is completed. Mr. Briggs is a native of Rochester, N. Y., but spent most of his life on the coast. He lived in Pasadena where he secured his early education and later was graduated from the University of California at Berkeley.

Newlands-Sum Merrill Agency, Portland, Ore., has been incorporated by Ray Sum Merrill and G. F. Newlands, with offices in the Meade building.

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EASTERN STATES ACTIVITIES

"Resident Agent" Is Defined

New York Attorney-General Holds Term Applies to Business Rather Than Personal Residence

ALBANY, Sept. 16.—A definition of the term "resident agent" has been given Superintendent Pink at his request by Attorney-General Bennett. The term applies to the business residence rather than the personal residence, the attorney-general held. An individual licensed agent residing in another state but maintaining his principal place of business in New York is a licensed resident agent. This also applies to corporations and partnerships licensed as insurance agents. Salaried officers or employees of a foreign company are not included in the category, as the insurance law provides that the term "agent" does not include officers and salaried employees who do not receive commissions.

In commenting on the situation, the attorney-general said licensed agents engaged in the insurance business pay fees and taxes for such privilege. There is a distinction between the business residence and the personal residence in law and it is obvious that the term "resident agent" refers to the business residence. The state licenses foreign corporations and non-residents so they can do business in the state on a parity with domestic corporations and agents, so the state cannot reasonably impose restrictions that will confine the scope of the insurance business to persons or individuals who are legal residents of the state.

This opinion sets at rest a question that has troubled agents for months and which has delayed application of the law by the department. While the intent of the framers of the bill, the New York Association of Insurance Agents, was to compel business domicile merely, the phrasing of the law left it open to a more narrow construction, counsel of the department holding it definitely called for residence of an agent within the state. To obviate all question in future, it is understood a clarifying amendment to the measure will be sought when the legislature again meets in January.

Opens Office at Beckley, W. Va.

The Fire Companies Adjustment Bureau has established a suboffice at Beckley, W. Va., with offices in the Raleigh County Bank building with Henry B. Frazier, Jr., adjuster in charge. Manager E. S. Hale of the Bluefield office will have general supervision over the territory.

Fire Prevention Luncheon

NEWARK, Sept. 16.—The fire prevention committee of the Newark Safety Council will hold a luncheon meeting Sept. 18 at which plans will be discussed for Fire Prevention Week. The committee is composed mainly of insurance agents and company men.

New Jersey Meeting Program

Schedule of Events for the Annual Convention of the State Association of Agents

The program for the annual meeting of the New Jersey Association of Underwriters to be held at Atlantic City, Sept. 24-25 is announced. E. M. Schmults of Ridgewood is president and will give his report the first afternoon. The vice-president will also give a report. C. Stanley Stults of Hightstown will discuss the methods, former president of the state body will discuss the building and insurance department's handling of failed bank lines. A get together dinner will be held that evening, the entertainment being provided by the Atlantic City local board. Albert Boothroyd, the singing local agent of Ithaca, N. Y., member of the New York association, will be present to entertain.

On the morning of the second day there will be a discussion of the annual reports by H. Donald Homes, Prof. A. C. Busse and Prof. R. C. Borden of New York University will give a demonstration on the "Six Cardinal Principles of Salesmanship." At the luncheon meeting that day, L. A. Watson, manager of the New Jersey Schedule Rating Office, will be in charge. There will be talks by Carl K. Withers, state insurance commissioner, and W. L. Falk of the Royal, who will talk on the business development office.

President's Report

The New Jersey association has 566 members. Charles E. Meek, Jr., of Paterson is chairman of the membership committee. President Schmults in his annual report states that the chief accomplishment during the year has been the handling of the banking and insurance department business on properties

in connection with banking and loaning institutions.

In connection with the subject of mutual competition, President Schmults said that it would be well if the stock companies and agents put the same amount of effort toward eliminating the unethical competition within their own ranks. H. A. Faunce, chairman executive committee, states that one of the matters considered by the committee pertained to the compensation situation with particular reference to the competition of participating companies on larger risks. The committee conferred with the executive committee of the National Association of Insurance Agents which had ratified the retrospective rating plan. The executive committee approved this scheme, provided its application was compulsory on an intrastate basis to all risks coming within its scope. Treasurer A. V. Livingston of Englewood reported a balance of \$3,094 on hand. The headquarters of the convention will be at the Ambassador hotel in Atlantic City.

Westchester Agents' Outing

Members of the Westchester County, N. Y., Association of Local Agents will hold an all day outing at Yonkers, N. Y., Sept. 21. The program includes golf and dinner in the evening and company field men have been invited to attend.

Harrisburg Association Slate

The following men have been nominated for officers of the Harrisburg, Pa., Association of Insurance Agents, the election to be held Oct. 14: President, Fred Dapp and Paul N. Garrett; vice-president, E. J. Miller; secretary, C. M. Thewma, and directors, John R. Henry and Albert Allen.

Miscellaneous Notes

The Citizens Insurance Service, Columbus, Ohio, has been incorporated by T. H. Moore, Bess Allen and M. E. Moore.

W. E. Bryan, Anchorage, Ky., affiliated with the Liberty Fire of Louisville, underwent an emergency appendicitis operation in Washington, D. C., where he was visiting.

IN THE CANADIAN FIELD

Report Canadian Troubles

Some Executives See Drift of Fire Business from Tariff to Non-tariff Companies

Canadian business is believed by officers of some American fire companies to be drifting from tariff to non-tariff companies and mutuals. Expense ratio is growing higher, so that a little rise in losses, they believe, would result in underwriting loss.

Fire insurance conditions in Canada have been bad for 10 years, according to one official. Another finds them no worse than in some parts of the United States. Tariff companies for many months have been attempting to get the Dominion Insurance Underwriters Association into shape to function effectively, but it is not yet doing so. It is understood to have some good rules, but upon the members' attitude toward enforcement will depend results secured. So far it has jurisdiction only in Ontario and Quebec, replacing the old Canadian Fire Underwriters Association, but it is hoped other provincial associations will be formed.

Key to Conditions Noted

Certain abuses in Ontario and Quebec seem to be the key to the Canadian situation, since more than half the fire premiums of the Dominion is written in the two provinces. Under present rules, if they were observed, most of the business in Toronto and Montreal still would be written at higher commission than in the remainder of the

territory, it is said. Top limit of 30 percent is fixed by agreement between company and agency in Toronto, where each company and recognized underwriters' agency is entitled to two agencies. Commissions of all other agents are on the graded 15, 20, and 25 percent scale. It is reported every agent in Toronto can get at least one excess commission contract. There is a general agency system in Montreal which is reported to impose an overriding commission on top of the regular production commission on most business written. There are no separation rules and a large proportion of agents representing tariff companies also have one or more non-tariff stock companies or mutuals which are very aggressive.

An underwriter reports fire premiums of leading non-tariff stock companies and mutuals which wrote about 75 percent of the non-tariff business last year rose from \$10,600,000 to \$11,997,000 in 1935. Figures for a list of leading tariff companies dropped from \$39,572,000 in 1934 to \$28,823,000 in 1935. The Dominion fire premiums total about \$42,000,000 annually. Cost of operation is necessarily high and expense ratios of tariff and non-tariff stock companies and mutuals are commensurately so.

Comment on Limitation

A Canadian manager of an important American tariff company stated there is no 30 percent commission top limit in Toronto and an American company official said the rule of the Canadian Underwriters Association is ignored, and it is easy for order taking agents doing business through some offices to get

higher commissions than provincial agents of some other companies. There is no limit to commissions that companies may pay general agents in Montreal, it is said, save that of total allowable acquisition cost.

Mixed agencies are reported to be on the increase. Quebec and Ontario provinces are the only ones where separation is not yet in effect. However, effort is being made to make separation effective there. A strong complaint of tariff offices is that through the Tariff Association with its underwriters survey bureau, mixed agencies supply this service to non-tariff companies which do not pay for it.

Leckey Is Canada Manager

Takes Charge of Dominion Business of Aetna Fire and World Fire & Marine—Headquarters in Toronto

Robert H. Leckey of Toronto, long identified with the insurance business in Canada and who has held responsible positions with leading fire and marine companies, has been appointed Canadian manager of the Aetna Fire and World Fire & Marine. His headquarters will be in the Metropolitan building in Toronto.

Although he has been serving for the past three years as assistant manager in Canada for the Hartford Fire, Mr. Leckey is no stranger to the Aetna-World organization, with which he was formerly identified as special agent for Canada from 1921 to 1933.

Mr. Leckey was born in Toronto and received both his education and his early insurance training in that city. He started his career in the Toronto office of the Western in 1906 and during the 15 years that preceded his previous association with the Aetna Fire, held several positions of increasing importance. He was for many years with the Canadian Fire Underwriters Association as a rating inspector. During the world war, Mr. Leckey did special inspection work on munition factories for the Imperial Munition Board, after which he went overseas with the Canadian army.

Closer Cooperation Sought

MONTREAL, Sept. 16.—The steady increase in automobile accidents in Canada has caused a demand for closer cooperation between the provinces (each of which now has its own individual code of regulations) and also more severe penalties in cases where drivers are proved negligent. The casualty companies are showing great interest in measures designed to reduce accidents and in preventive education.

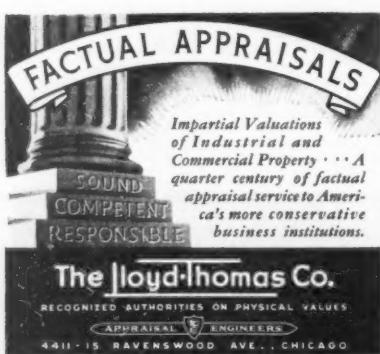
Theodore Morgan, chairman of the executive of the Royal Automobile Club of Montreal, has suggested the appointment of a central organization with power to furnish general supervision and insist upon and lend a strong hand in enforcing laws and regulations which shall prevail in common throughout Canada. Figures show that about 15 percent of the drivers are responsible for nearly all the accidents.

Shift Fire Prevention Work

MONTREAL, Sept. 16.—The city fire prevention office of Montreal, now connected with the building inspection branch, will be taken over by the fire department, it was decided by the city's executive committee following the disastrous St. Catherine street fire. It is felt that if firemen had known full particulars of the building, many deaths might have been avoided. James McIsaac, chief of the fire prevention bureau, will cooperate with the director of the fire department, Christopher Carson, and firemen will be instructed concerning buildings in their district.

Burgess Made B. C. Inspector

VANCOUVER, Sept. 16.—Fred A. Burgess, British Columbia manager of the Caledonian and Great American groups, has appointed W. Evans branch



inspector of both groups, succeeding the late J. Gordon Parker. Mr. Evans is an Englishman by birth but obtained most of his insurance training in the Great American head office in New York,

where he had four years of service. In 1935 he was appointed special agent with headquarters in Baltimore and before coming to Vancouver was special agent at Harrisburg, Pa.

MOTOR INSURANCE NEWS

Will Operate Financing Unit

American States Puts Automobile Investment Corporation in Field for Benefit of Its Agents

The Automobile Investment Corporation announces that E. L. Stephenson has been appointed field manager in charge of the agency organization. He is well known in the casualty field. He



E. L. STEPHENSON

is a graduate of the University of Michigan Law School. His entire insurance career has been spent with the Fidelity & Casualty with which he has been connected for the last 14 years, ten of which being in the branch offices in Lansing, Flint, Indianapolis and Louisville. For the last two years he has been in the head office in New York doing special work.

Automobile Finance Facilities

The Automobile Investment Corporation was established to offer automobile finance facilities to agents of the American States Insurance Company of Indianapolis. In addition it will give complete facilities for insurance premium financing on all lines. Dudley R. Gallahue is president and Edward F. Gallahue, secretary and treasurer of the Automobile Investment, holding the same offices in the American States. The authorized capital of the Automobile Investment is \$300,000 and on the basis on which the shares are being marketed, an additional \$150,000 will be contributed to surplus. Some of Indiana's leading business, financial and professional men are stockholders. The Messrs. Gallahue state that the Automobile Investment was formed after an exhaustive study and survey of the automobile financing field and the problems facing agents in this connection. Millions of dollars annually are diverted from regular agency channels, they declare. Under the plan adopted by the Automobile Investment the agents are placed in a position to finance new cars immediately for their clientele on the new low cost 6 percent plan and therefore be able to meet the rates of the leading finance companies and retain the insurance of policyholders. At the present time the Automobile Investment is operating exclusively in Indiana but the officials state that it is planning to extend its activities into adjoining states through agency channels by the first of the year.

Home Trailer Field Growing

Predicted That More Will Be Manufactured Next Year Than the Output of Trucks

DETROIT, Sept. 16.—Automotive men here, who have noticed recent insurance interest in the huge gains made by the house trailer industry which has made it, within less than two years, one of this state's leading manufacturing enterprises, say there are approximately 300 companies now building trailers of this type for the trade. Of these, however, less than a dozen are on a production basis although the total output is estimated at around a half million this year with a probability that it may, by next year, exceed the total production of trucks which will probably exceed 600,000 this year.

It is well known, however, that several large body building concerns are rushing plans to join the trailer parade while such a conservative builder of luxury cars as the Pierce-Arrow Company has already entered this field. Prices in the production field range from slightly under \$400 to around \$1,500 with custom-built models running into large sums. Actual insurable values, however, will range even more widely because nearly all owners vary their equipment somewhat. Automakers say more attention already is being paid to safety features in the house cars and it is anticipated that the larger makers, particularly, will solve some of the problems which are now worrying insurers. It is pointed out that the Society of Automotive Engineers very recently took up the problem of standardizing couplings by which trailers are attached to cars with the idea of evolving a safe, interchangeable coupling for all machines. A committee is being named to accomplish this task.

Texas to Survey Automobile Finance-Insurance Problem

DALLAS, Sept. 16.—To make a thorough survey of the automobile financing situation in Texas in regard to insurance laws a committee has been named by the Texas Association of Insurance Agents; A. W. Larkin of Houston, Don Houseman of Dallas, and William Patton of Hull. For the company men there are W. E. Bonner of the Commercial Union, Rorick Cravens of Cravens & Dargan, Houston, and J. O. Smith of Trezevant & Cochran, Dallas. It is expected some special legislation will be offered at the next regular session of the legislature relating to automobile financing and the writing of insurance in connection with such financing, as a result of the committee's survey.

Toledo Local Agents Body Investigating Loan Pressure

The Toledo Association of Insurance Agents is investigating charges that pressure is being brought by loan agencies to shift the insurance on automobiles to affiliates that are close to the financing institutions. Walter Schmitt, president, states that considerable evidence has already been gathered and more will be collected to be turned over to Insurance Superintendent Bowen. President Schmitt said that the insurance department has shown a

disposition to protect the rights of agents and therefore this convincing evidence is being secured. In this case the Toledo men feel that the department will take prompt action.

Trailer Homes Discussed

NEW YORK, Sept. 16.—Most important of the matters considered by the staff committee of the National Auto- Oct. 6.

bile Underwriters Association at a series of conferences at Asbury Park, N. J., was that dealing with "automobile homes," a type of motor car that is gaining rapidly in public favor, and presenting real problems for underwriters to deal with. As a result of the staff deliberations a number of suggested changes in rules covering such risks will be submitted to the directors at a meeting

MARINE INSURANCE NEWS

Mortensen May Adopt Plan

Marine Companies Offer Compromise Proposal Relating to Purely Transportation Risks

MADISON, WIS., Sept. 16.—Marine insurance companies, which recently were notified by the Wisconsin department that their fire business in the state must be written on the same basis as that of fire companies, have submitted a compromise proposition for an order regulating their business. Commissioner Mortensen recently ruled that marine companies must write fire business on the rating schedules of the Fire Insurance Rating Bureau and subject to rules promulgated by the rating bureau.

The marine companies have offered to abide by all board rates and regulations as to all building properties they insure, and also in regard to all personal property that has been upon a fixed location for 30 days. This would exempt from the rating bureau rules all property insured in transit and also for 30 days after its delivery. This business, the marine companies claim, is strictly marine business because of being insurance upon property in transit.

It appears likely that Mr. Mortensen will approve the compromise plan which

was submitted on behalf of marine companies by H. L. Ekern, former Wisconsin commissioner and now senior member of the insurance law firm of Ekern & Meyers, Chicago.

Wisconsin is one of the few states that never has approved the uniform definition of marine companies' underwriting powers. Other states that did approve the definition have been allowing the 30-day exception. Commissioner Mortensen in correspondence relating to specific risks involving the transportation factor has intimated recently that he might prove amenable on this point.

P. & I. Cases Not Yet Settled

Insurers Are Not Parties to Settlement Offered Morro Castle and Mohawk Claimants

NEW YORK, Sept. 16.—Although the New York & Cuban Steamship Co. has offered to settle with claimants for a total of about \$1,250,000 on account of the Morro Castle-Mohawk disasters, there has been no agreement between the steamship company and its P. & I. insurers on how much if anything the insurance companies will pay.

The P. & I. policy provides that if there is privity on the part of the offi-

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cers of the steamship company in the negligent operation of a ship that suffers disaster the insurance is void. Whether the insurers of the Morro Castle and Mohawk finally will deny liability on that ground remains to be seen. If they do, they will undoubtedly undertake to substantiate their position by citing the conviction of one of the vice-presidents of the steamship company.

The steamship company is in a somewhat anomalous position. At the time of the Morro Castle holocaust, the law limited the liability to third parties to the value of the steamer after the disaster unless there were privity. The Morro Castle was towed away and sunk as a total loss. Yet the steamship company has offered to settle with claimants for a substantial amount.

The insurers are not parties to the steamship company's settlement and they have not yet taken a final position as to their liability under the P. & I. policies.

International Conference Is Held on Safety at Sea

NEW YORK, Sept. 16.—Absolute safety in ocean ships should be the ideal of engineers and shipbuilders, Rear Admiral G. H. Rock, retired, president Society of Naval Architects & Marine Engineers, declared at a meeting here on safety at sea sponsored by the society and attended by representatives from Great Britain, Germany, France, Italy, Japan and China, as well as the United States.

Several other participants concurred in this view, though pointing out that much progress had been made and the dangers of sea travel have been exaggerated by newspaper reports of sea disasters. Leslie Champness, managing director of an English company, declared that safety standards at sea, from a fire angle, are already far ahead of anything prevailing ashore except in the highest class hotels.

H. F. Norton of the Newport News Shipbuilding & Drydock Co. warned against making mandatory rules so strict that it would be impossible to build ships capable of competing with foreign-owned boats. Rear Admiral J. G. Tawresey, retired, urged greater subdivision of ships, to improve their chances of staying afloat after a crash and warned against shipowners relaxing their vigilance in extending safety measures because of reduced losses.

Losses Due to Rebellion

There is considerable question as to the amount of loss American underwriters will suffer through the Spanish trouble. At present no definite figures are available as some of the cargo involved is still unreported. Sulphur, cotton and automobiles constitute the major proportions of shipments to Spain. It is estimated that if all the cargo on ships in Spanish waters and in warehouses in Spain were to be confiscated, the total amount would be about \$500,000.

Buttikofer Made Manager

The appointment of John W. Buttikofer as metropolitan manager of the all-risks and inland marine department of the Commercial Union group in New York City is announced. He has served in this department as staff adjuster. He became affiliated with the Commercial Union group as staff adjuster in the fire department at the metropolitan office in 1925 and was transferred to the inland marine department in November, 1934. He succeeds J. K. T. Van Pelt, who resigned to accept a position in Philadelphia in a large life insurance general agency.

The Ohio department has been authorized by the common pleas court at Columbus to liquidate the Mid-West Mutual of Toledo.

Hershey, the Chocolate Town, Meeting Place of W. U. A.

(CONTINUED FROM PAGE 4)

by large new brick buildings, the center of a great industry and of a philanthropy nationwide in its scope.

Commanding a view rich in scenic splendor, Hotel Hershey, built in 1933 and since described as "a palace that out-palaces the palaces of the Maharajahs of India," is located on Hershey's highest hill, a beautiful tan glazed brick edifice of 200 rooms, Spanish in feeling, its green tiled roofs, brilliant in sunshine, its grounds landscaped with flower gardens, wide lawns and evergreen trees. Seventy-five percent of the food served in its dining room comes from the Hershey farms of 10,000 acres.

Community Building

At the corner of East Chocolate and Cocoa avenues is the Community Building, housing the movie, public library, hospital, gymnasium, swimming pools, bowling alleys, handball courts, a dormitory for young men and a little theater for plays given by the Hershey group players. Across the street is the Hershey Inn, the department store, the Young Women's Club, a home for unmarried women, and several churches. In residential sections are to be seen substantial new homes for workers, individually owned.

Hershey Park features free band concerts, the zoo, the American Indian museum, two swimming pools, (for swimmers and non-swimmers) a convention hall which is transformed into an ice palace in winter for ice skating and hockey, golf courses, boating, a children's miniature railway, tennis, carnivals, and picnic tables for 5,000 people.

Chocolate Making

Visitors daily are guided through the Hershey Chocolate buildings where they are shown the process of chocolate making from the grinding to the shipping. Between 60,000 and 75,000 gallons of milk are used daily, in addition to cocoa beans, chocolate and sugar.

Mr. Hershey's most beneficent gesture was the creation in 1909 of the Hershey Industrial School for "making men of fatherless and motherless boys." On 36 small farms, 900 orphan boys between the ages of 4 and 18 live and receive an all-round education. In the immense new school building they are taught trades that appeal to them and at 18 they start out into the world with a job, enough clothes for one year and \$100 in cash. Instruction is given in bricklaying, carpentry, painting, plumbing, electrical work, printing, machine shop practice, auto mechanics, ceramics and horticulture.

M. S. Hershey Foundation

The youth of Hershey are educated in the Derry Township schools, the largest consolidated school system in the country, consisting of grade, junior-senior high and vocational schools. In 1936 Mr. Hershey has established the M. S. Hershey Foundation for the establishment of one or more educational institutions and for the further education of Derry township young people after they graduate from high school.

No thoughtful visitor to this town can help but admit that Mr. Hershey has achieved more than his original purpose: to establish a thriving industry and provide his employees and others with the joys of living in the country with city advantages. He has gone a long way beyond this in his unique American adventure.

Two Join Payne Agency

C. J. Kelly, formerly of Atlanta, has gone with the Clifford A. Payne agency of Jacksonville, Fla., as adjuster, and W. H. Boggs, formerly of St. Louis, has become safety engineer. The agency has moved to larger quarters at 120 Julia street, after 25 years in the old location.

Street's Report on Losses Made

(CONTINUED FROM PAGE 5)

87,728 claims as compared with 71,323 during the same period of last year. On Aug. 1 the number of claims had risen to 127,264. Of these 88.48 percent were less than \$1,000.

Mr. Street said the public adjuster is still around but is far less important than formerly. He said there are some cases where company members of the W. U. A. are represented in offices where the agent is openly pursuing the business of a public adjuster. He urged observance of the rule to defer payment if a public adjuster is employed except where one is reported to be of real value to the company adjuster.

Mr. Street commented on the employment of attorneys for handling loss claims. He said there are comparatively few who are familiar with the insurance contracts and few who can be entrusted with a case of that kind without having the coaching and assistance of a real adjuster. Defending claims under a fire policy is a specialty, he said. It being a somewhat narrow one there are few attorneys who equip themselves in this respect. A man on the firing line who is a regular adjuster, he said, is competent and should have support always.

Automobile Home Trailer Studies

(CONTINUED FROM PAGE 6)

adequate experience of insurance companies with this new hazard, especially fire and theft. The Chicago agent says that the same old fire and theft rate appear in the manual every year without any attempt to analyze the premium volume and losses and apply adequate and individual rates to the different types of vehicles. He says:

"My comment has to do with the actual experience of our companies with one particular type of automobile home familiarly known as a 'land yacht' and costing anywhere from \$1,800 to \$6,500—the usual average being \$3,000. The ordinary house trailers averaging from \$300 to \$700 naturally can not compare with the 'land yachts' either in mechanical ability, construction, roadability or moral hazard. This is attested by the fact that over a period of 12 years we have never reported a fire and theft loss. Why, then, should the owner of a vehicle of this type be expected to pay the same rate for fire and theft coverage as the owner of a small job made out of indifferent material or cheaply assembled for sale at a popular price?"

"The trailer industry is an important and growing one and in my opinion the manufacturers are entitled to some recognition ratewise for their individual products. The 'land yacht' referred to was the object of a complete survey by the engineering department of a large casualty company several years ago and the manufacturer now has on file a most favorable report regarding the mechanical excellence of their product. It is my suggestion that the automobile fire and theft committee make a thorough study of the whole trailer industry and apply proper individual ratings to the more important units."

AS VIEWED FROM HARTFORD

HARTFORD, Sept. 16.—Although there are approximately 1,000,000 Americans who own tourist trailers, according to a recent survey by the American Automobile Association, local insurance company men are not anxious for the liability and property damage business on these vehicles. They consider the trailer a bad risk due to the nature of the thing. While standard automobile policies are invalid when a trailer, not covered by like insurance, is towed by an insured car, the present additional trailer premiums are so low that the business is not worth soliciting aggressively from the viewpoint of many agents.

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The Boston and the Old Colony Insurance Companies invite you to check over these items. We know that our financial statements will stand your careful scrutiny. That our service is efficient. That our business policies are conservative. That the many lines we write are necessary for an agent's welfare. That our field men are well trained

and on the job. And that our Advertising and Sales Promotion Department is ready and eager to assist you in making more money this year.

If you are considering taking on a new company to strengthen your set-up, you would do well to study both the Boston and Old Colony. We are eager to have one of our field men call and answer your questions in detail. This call incurs no obligation and gives you the opportunity to base your decision on detailed facts, and to meet the type of men who represent us in the field. A letter or card is all that is necessary. Why not today?

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INCORPORATED 1873

BOSTON, MASSACHUSETTS

STATEMENT AS OF DECEMBER 31, 1935

As filed with Massachusetts Insurance Department

ASSETS

U. S. Government Bonds.....	\$ 2,304,646
State, County and Municipal Bonds.....	1,634,546
Foreign Government and Municipal Bonds.....	104,828
Stocks of National Banks and Trust Companies.....	1,176,792
Railroad Bonds and Stocks.....	1,726,978
Public Utility Bonds and Stocks.....	2,430,584
Other Bonds and Stocks.....	10,446,604
Real Estate (Home Office Bldg.).....	1,313,370
Mortgages (first liens).....	75,050
Cash.....	1,216,084
Premiums in course of collection.....	703,372
All Other Admitted Assets.....	347,329
	<hr/>
	\$23,480,183

LIABILITIES

Losses in process of adjustment or in suspense.....	\$ 1,145,030
Reserve for Losses unreported.....	225,000
Unearned Premium Reserve.....	4,586,451
Reserve for Marine Lay-up Return Premiums, Outstanding Reinsurance, etc.....	554,077
Reserve for Federal Taxes.....	70,000
Commissions, Expenses, Taxes (estimated).....	309,500
Reserve for Dividends.....	390,000
Special Reserve.....	129,150
Employees' Savings Fund and Interest.....	49,502
CAPITAL.....	\$ 3,000,000
NET SURPLUS.....	13,021,473 16,021,473
	<hr/>
	\$23,480,183

Based on Dec. 31, 1935, market quotations the policyholders' surplus is \$16,514,732.

OLD COLONY INSURANCE CO.

INCORPORATED 1906

BOSTON, MASSACHUSETTS

STATEMENT AS OF DECEMBER 31, 1935

As filed with Massachusetts Insurance Department

ASSETS

U. S. Government Bonds.....	\$1,895,523
State, County and Municipal Bonds.....	1,174,669
Foreign Government and Municipal Bonds.....	69,888
Stocks of National Banks and Trust Companies.....	591,969
Railroad Bonds and Stocks.....	969,556
Public Utility Bonds and Stocks.....	1,651,842
Other Bonds and Stocks.....	2,318,410
Mortgages (first liens).....	10,700
Cash.....	237,795
Premiums in course of collection.....	232,699
All Other Admitted Assets.....	94,474
	<hr/>
	\$9,247,525

LIABILITIES

Losses in process of adjustment or in suspense.....	\$ 288,516
Reserve for Losses Unreported.....	69,000
Unearned Premium Reserve.....	1,500,724
Reserve for Marine Lay-up Return Premiums, Outstanding Reinsurance, etc.....	104,241
Reserve for Federal Taxes.....	40,300
Commissions, Expenses, Taxes (estimated).....	98,700
Reserve for Dividends.....	40,000
Special Reserve.....	15,100
CAPITAL.....	\$1,000,000
NET SURPLUS.....	6,090,944 7,090,944
	<hr/>
	\$9,247,525

Based on Dec. 31, 1935, market quotations the policyholders' surplus is \$7,414,183.

Michigan Hits the Retrospective Plan

Positive Action Seen in Michigan

**State Association of Local Agents
Cracks Retrospective
Rating Scheme**

CARTER CONDEMNS PLAN

Vice-President E. C. Lunt of the Great American Indemnity Proved to Be a Veritable Humorist

BY C. M. CARTWRIGHT

The Michigan Association of Insurance Agents at its annual meeting at Battle Creek without a dissenting vote approved the action of its governing committee in notifying the National Association of Insurance Agents that it did not give its sanction to the retrospective plan of rating workmen's compensation risks. The motion at the Michigan meeting for approving the action of the governing committee was made by Martin Mullally of Muskegon, following the talk by George W. Carter of Detroit on this subject. Mr. Carter has been one of the outspoken opponents of the retrospective plan.

At a later business session the association passed a resolution recommending that there be a revision of the present experience plan of rating so that it could be brought up to date and be made of more practical value.

Declares Retrospective Plan Is Complicated

Mr. Carter in his talk declared that the retrospective plan was too complicated and it was almost impossible for the average agent to interpret it correctly and lucidly to an assured. At the mid-year meeting of the National Association of Insurance Agents, the executive committee approved this scheme and it was voted to send it back to the various state organizations for their consideration. A majority of states, he said, stood by the executive committee. In its present form, Mr. Carter said, he could not personally recommend it nor

(CONTINUED ON PAGE 43)



JAMES M. CROSBY, JR., Grand Rapids
New President

Many Guest Speakers at the Michigan Gathering

At the annual meeting of the Michigan Association of Insurance Agents in Battle Creek, Joseph W. Mundus of Ann Arbor, the president, announced that the state body has 428 members or 17 less than the peak of last year. On July 1, the figure was 412.

President Mundus said Executive Secretary George Brown declares that 500 members is about the limit in Michigan. A council of local boards was established by the state association. It is the feeling that the officers of these various boards should occasionally meet and discuss their problems. There are 27 local boards in the state. Some of these are county organizations. The regional meetings, President Mundus said, have been a success. The upper peninsula agents, he said, have been successful in reclaiming Catholic church property in their territory. Formerly it had been awarded to a New York broker to the exclusion of local agents.

The Western Underwriters Association informed the special committee appointed to deal with the non-contingent commission issue that there is no chance in the world of this being adopted at this time.

Impressive Array of Guest Speakers

President Mundus made a very efficient presiding officer. The first day was given entirely to the speaking program, with an imposing array of guest speakers. George W. Carter of Detroit was the only member to appear on that program. Others who spoke were W. Owen Wilson of Richmond, Va., chairman executive committee National Association of Insurance Agents; R. P. Hudson of Sault Ste Marie, president Michigan State Bar Association; E. C. Lunt, surety vice-president, Great American Indemnity; C. M. Cartwright, THE NATIONAL UNDERWRITER; D. C. Smith, executive special agent farm department America Fore group; L. E. Falls, vice-president American of Newark; H. C. Conick, assistant United States manager L. & L. & G.; C. H. Metzner, Michigan state agent Phoenix of Hartford group.

Mr. Metzner discussed types of mutual competition and said that the senior mutuals in general stand on their own foundation, yet they will accept underinsurance if a risk could be used for advertising purposes. Rates, he said, are

subject to change without notice. In May, he said, 12 of the companies forming this group and writing 58.89 percent of the business reduced their dividend rate, thus increasing the cost. The changes varied and amounted to increases of from 5½ to 15.3 percent of net cost on a three-year basis. The average stock company rates in Michigan for the four-year period ending in 1934, he said, have been reduced 23.75 percent.

Senior Mutuals Show An Increase in Losses

The senior mutuals show an increase in losses for the first six months of \$1,400,000 over a similar period last year. He called attention to the fact that the combined assets increased \$3,406,695 for six months and yet in spite of this, with losses of \$1,230,000 in excess of the average for 15 years, they find it necessary to reduce their dividend rates. The combined surplus of the senior mutuals in 1929 was \$25,376,031 and dwindled down to \$3,599,839 in 1933.

In considering the factory mutuals, he said, the net returns from the excess deposits may be considered return from investments. Such assets should be able to compare favorably with the worth of money to an assured in his own business. By net return is meant the difference between stock company costs and mutual costs, plus any increased taxes. He said that an assured could invest an equal sum in the stock of an insurance company as he puts up as a deposit, calculating his return from the investment accordingly and be better off. The sale of stock does not impair the capital structure in the same manner that the withdrawal of a premium deposit does to the mutuals. The stock of an insurance company has collateral value, not possessed by the deposit.

Many of the general mutuals started in a specialized field and now they are writing widely and on a non-assessment basis. The change, he said, was purely for sales purposes and does not improve the position of the assured, since the ability to assess was intended to replace the need for a capital structure. Non-assessability, Mr. Metzner said, limits the strength of a mutual company. Many of these mutuals have had but little experience in the general field and con-

(CONTINUED ON PAGE 39)

Crosby Head of Wolverine Body

State Association Desires No Change in the National Organization Setup

FOUR POINTS FEATURED

Clyde Smith Outlines the Chief Objectives for the Next Session of the Legislature

NEW OFFICERS ELECTED

President—James M. Crosby, Jr., Grand Rapids.

Vice-president—Martin Mullally, Muskegon.

Treasurer—Carl W. Sagen, Battle Creek.

National Councillor—George W. Carter, Detroit.

Governing Committee—President, vice-president and treasurer, and W. A. Doyle, Highland Park; P. J. Braun, Flint; J. W. Mundus, Ann Arbor; Harrison Plum, Bay City; W. G. McCune, Petoskey; John P. Old, Sault Ste. Marie; A. J. Young, Escanaba; Guy M. Cox, Iron River. Member at large, Clyde B. Smith, Lansing.

James M. Crosby, Jr., one of the partners in the J. S. Crosby & Co. agency at Grand Rapids, was elected president of the Michigan Association of Insurance Agents at its annual meeting at Battle Creek, having served as vice-president last year. He has been with the Crosby agency for 14 years, his father, James M. Crosby, being the senior partner. He graduated from the University of Michigan in 1922.

Martin Mullally of Campau, Mullally & Meier of Muskegon, who has been treasurer, becomes vice-president.

The Saturday business session opened with the reading of the president's report by Joseph Mundus of Ann Arbor. The several suggestions as to membership acquisition, local board extension and expansion, regional meetings and state operation of the business development office plans and program were



JOSEPH W. MUNDUS, Ann Arbor
Retiring President



MARTIN MULLALLY, Muskegon
Vice-President

GEORGE BROWN, Detroit
Secretary

referred to the incoming administration for consideration and action.

Leon Snyder, Jr., secretary of the Michigan Property Tax Repeal Association, was given the privilege of the floor for a presentation of the organization's brief on the tax amendment it will offer the voters on the ballot in November.

Treasurer Martin Mullally of Muskegon submitted the official audit report. The balance in bank a year ago had been increased from \$2,173 to \$3,500 the close of the fiscal year, Aug. 31. The governing committee had taken advantage of this happy financial condition to pay the state's allocation of National Association of Insurance Agents maintenance, \$2,595, in full instead of making it in four monthly installments beginning with Oct. 1. The presentation of the check to W. Owen Wilson at the dinner by Secretary George Brown was a dramatic feature of that part of the convention program.

Carter Tells Work of Conference Committee

National Councillor George W. Carter in executive session gave the members an extensive report for members only of the activities and constructive work accomplished by the conference committee during the year.

W. Owen Wilson, national executive committee chairman, was made an honorary member of the Michigan association. A motion by Clyde Smith disapproving any change in the existing constitutional set up of the national council was adopted unanimously as was one approving the action of the governing committee in voting disapproval on the national referendum of the retrospective workmen's compensation rating plan. The advisability of uniformity in the titles of local boards was referred to the incoming local board council for consideration.

The law and legislation committee by its chairman, Clyde B. Smith, stressed a four point program for the next session of the legislature: A dou-

Michigan Convention Briefs

George W. Carter, Detroit local agent, who was on the program at the Michigan local agents meeting at Battle Creek to discuss the retrospective rating plan for workmen's compensation insurance, had been laid up for two or three days and practically got out of bed to attend the meeting. Mr. Carter is a dominant, powerful figure in the Michigan agency ranks. He is respected by all who know him because of his success as an agent, his knowledge of the business and his influence with the companies. He is a militant opponent of the retrospective plan. The fact that the governing committee of the Michigan Association of Insurance Agents voted to disapprove the plan and that the Michigan association itself unanimously at Battle Creek upheld the governing committee shows the hold Mr. Carter has on the brethren in his state.

Grant Bulkley, secretary of the Springfield Fire & Marine group in its western department, and Assistant Manager **E. G. Frazier** attended the meeting and hobnobbed with agents in the lobby

There were 300 registered at the convention which was an exceedingly large number to be present at a state meeting.

Guy M. Cox of Iron River, who was on the nominating committee, is state commander of the American Legion.

Henry J. Kennedy, vice-president **Great Lakes Casualty of Detroit**, and

Herbert Fach, underwriting superintendent, were on hand with an entertaining mind.

* * *

John L. Mylod, assistant to the manager of the North British & Mercantile from the New York office, was wearing his broadest smile.

* * *

C. E. Freese of Detroit acted as chairman of the nominating committee and **Phil J. Braun** of Flint, chairman of the resolutions committee. Associated with Mr. Braun was Clyde B. Smith of Lansing and John P. Old of Sault Ste. Marie.

* * *

John P. Old of Sault Ste. Marie introduced R. P. Hudson of that city, president Michigan Bar Association who was on the program.

* * *

H. F. Gregg, assistant western general of the Royal, attended the convention.

* * *

Robe Bird, western manager American group, was present to be the bodyguard of Vice-president L. E. Falls, who was on the program. Mr. Bird gave a lunch in Mr. Falls' honor Friday, inviting agents of the group.

* * *

The first meeting of the **Michigan Association of Insurance Agents** was in Detroit. In fact during the first eight years, in starting in 1898, only one was held outside that city. Fred Guenther of Detroit was president the first three years. Since then there have been but three annual meetings in Detroit.

* * *

Spencer Welton, vice-president Massachusetts Bonding, conventioneer extraordinary, was present.

bling of the present meager appropriation for the state insurance department; a reasonable and workable qualification law; restriction of the power to sign policies, confining the privilege to resi-

dent local agents and the repeal of the state fire fund which is and has been inadequate and ineffective since its enactment.

This four point program had been

submitted to Governor Fitzgerald by Commissioner Ketcham and Clyde Smith. At the dinner the governor expressed his approval of its provisions and promised his cooperation in the event of a happy landing for the administration in the coming general election.

Mr. Smith urged that local board officers and members should use their influence in ascertaining the attitude of legislative candidates as to the four points. An urgent request will be mailed to the members to give the matter their cordial interest and active attention.

The fire and accident prevention committee by D. W. Howland, Detroit, chairman, reported that getting action by safety bodies of one kind and another had not been encouraging but there's still a glimmer of hope that something worth while may be accomplished in the coming year.

Submit Resolution on Compensation Rates

The resolutions committee by Phil J. Brown, Flint, chairman, submitted one covering compensation rates to the effect that the first nine months' experience of the current policy year be included in the renewal data, weighing all payroll exposure at full value, that the conference committee be requested to use every effort to have this effected as early as possible and that a copy of the resolution be transmitted to the Michigan Compensation Rating Bureau. The resolution was adopted.

There was a motion passed requesting the conference committee to bring about a modernization of the rates and forms for fire and windstorm farm cover.

At the suggestion of Geo. W. Carter and Clyde B. Smith a motion was carried, that in planning the program for the 1937 meeting in Lansing, provision be made for an executive session in which non-stock competition can be thoroughly discussed.

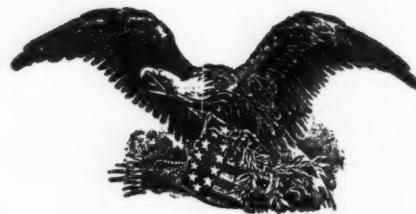
Invitations for the next fall meeting from Detroit and Grand Rapids were referred to new governing committee.

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Vice-President and Secretary
DANIEL R. ACKERMAN
Vice-President and Secretary
JOSEPH G. NIEDERLITZ
Assistant Secretary



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LOWER MICHIGAN
C. R. Beaver, State Agent
119 N. Rose Street, Kalamazoo, Michigan

UPPER MICHIGAN
E. R. Sanborn, Special Agent
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Milwaukee, Wis.

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 H. T. Hadden, Fire Engr.

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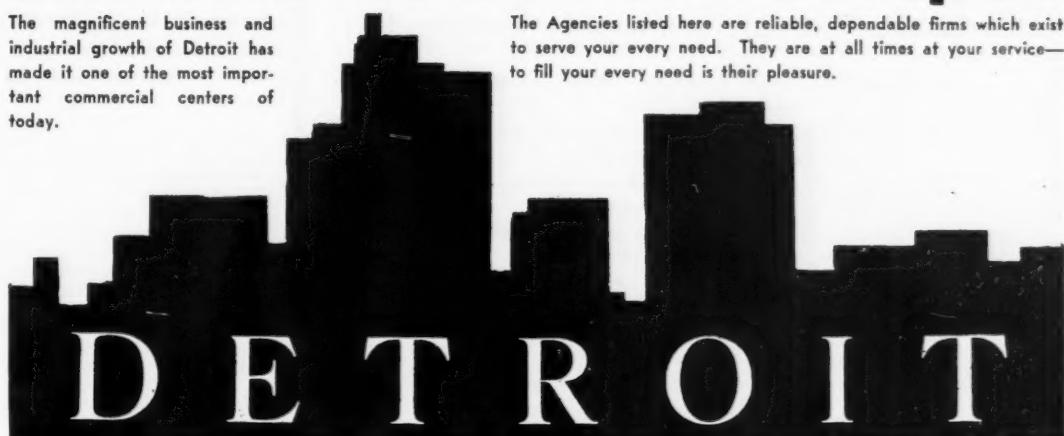
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Wants Use and Occupancy Changed to Net Earnings

LAURENCE FALLS IN ADDRESS

American's Vice-president Tells Michigan Agents Service Is Basis for Compensation

Vice-president L. E. Falls of the American in his talk before the Michigan Association of Insurance Agents at Battle Creek said that during the last few years there has been a reduction in values and consequent less demand for insurance. While the amount of commissions to agents in the aggregate has been reduced there has not been a reduction in their percentage. He stated that there are cycles of depression and good times. He thinks the country is pretty well recovering from the slump.

Wants U&O Coverage Called Net Earnings

Mr. Falls, as a U&O expert, declared that use and occupancy is needed now as well as any other time. He advocated a change in the nomenclature and would have U&O called "net earnings insurance." In figuring on net earnings insurance he said that an assured hesitates to reveal the confidential information that it is necessary to have to form the basis of calculation to more than one agent. A manufacturer of considerable size or merchant, he said, constitutes the best prospect. Mr. Falls said there is certainly one inland marine account in every town and often an ocean marine account.

Mr. Falls acknowledged there has been opposition to every progressive change or any suggestion of the shifting of the course. People are loath to accept change. He said this is probably a pretty good thing. Every such change is challenged and people want to know whether it can justify itself.

He said that a local agent should justify the income he gets out of his business. He should ask himself what he is putting into it. He is not justified in getting a full day's wages if he does not work a full day. The American agency system, he predicted, is sound and will continue as long as it justifies its existence. Some of the large insurance buyers, he said, are questioning the justification of the commission percentage. He said that the American agency system might be destroyed by topheavy commissions. He claimed there are two cities in this country where the commissions are entirely too high. This condition is soon learned by the assured and complained of. Cooperative companies take advantage of it.

The officials of sound insurance companies, he said, do not operate under the law of hysteria and for that reason companies that have survived are conservative. Deliberation, Mr. Falls said, gives solidarity.

Freeman Playlet Was Given

The popular humorous and educational playlet entitled "To Sell or Not to Sell" written by C. E. Freeman, advertising manager of the Springfield Fire & Marine group, was put on after the banquet under the direction of Roy L. Blomgren of the inland marine department in the western office at Chicago, who took the part of three different agents. Roy L. Nicholson of Milwaukee, state agent of the Michigan Fire & Marine in Wisconsin, was the prospect. Miss Kathleen Carey, daughter of James E. Carey of the Ward Insurance Agency, Battle Creek, was secretary to Mr. Nicholson. The playlet went over in fine shape.

H. F. Gregg of New York City, assistant western manager Royal, joined his field force at Battle Creek.

State's Governor Is Chief Speaker at the Banquet

The big feature of the banquet of the Michigan Association of Insurance Agents annual meeting was the presence of Governor F. D. Fitzgerald, it being the first time that the head of the state government had appeared on the Michigan local agents program. He stated that last year the premiums paid by Michigan citizens amounted to \$190,000,000. But few policyholders know the contractual provisions of policies. They rely on the agents. Therefore it is necessary, in his opinion, to have a high type of people writing insurance.

Assured Relies on the Insurance Agent

The assured has faith in the agent, it is the duty of the state to see that those it licenses are worthy of confidence. It is good business, he said, to protect the people in this domain.

The appropriation for the insurance department is \$75,000 and it is collecting more than \$3,000,000 in taxes and fees. Gov. Fitzgerald said the department is undermanned. Some effort should be made at the next session to better equip the department and give it a larger appropriation. It is doing its work well, said the governor, under trying conditions. Its affairs are in the hands of experienced men. The principle of civil service prevails.

Governor Fitzgerald said there is a law in Michigan which prohibits the insuring of state property against fire and wind. He does not know the reason that prompted this law, which was adopted in 1910. Changing conditions, he said, appear to make it necessary to amend this statute to care for hazards that were not contemplated when it was enacted.

Hits at Discriminatory Insurance Rates

In insurance, as in every other line of business, Governor Fitzgerald said, the return should be commensurate with the value of the service rendered. The insurance companies, he said, owe it to themselves to keep the policyholders protected to their entire satisfaction in order to retain their confidence. The state, he declared, is anxious to help and he said that rates should be high enough to pay the losses, a reasonable expense allowance and a fair profit and no more. If an insurance department is to regulate insurance costs, he said it must be evident that rates for certain classes of insurance must be uniform. If deviations are to be permitted, no one can say just what a proper premium charge should be.

President Mundus presided. Commissioner Ketcham paid high tribute to insurance and approved the four-point legislative program.

New Michigan President

The new president of the Michigan Association of Insurance Agents, James M. Crosby, Jr., is regarded as one of the live wires in the organization. J. S. Crosby & Co. was established in 1858 by the great grandfather of James M. Jr. James M., Sr., the father of the new president, has been actively in charge of the office for 40 years. The new Michigan president served as president of the Grand Rapids Association of Insurance Agents for three years until this week, when at the annual meeting David A. Forbes was elected as his successor.

Michigan Meeting Notes

Young E. Allison of the agency department in western office of the Pearl, drove from Chicago to attend the meeting.

* * *

S. H. Quackenbush of Freeport, Ill., western manager Westchester Fire, joined the Michiganders in their meeting.

EXPLANATION OF FEDERAL BODY RULING

(CONTINUED FROM PAGE 35)

fine themselves to special classes and thus they do not hesitate to offer lower rates on classes that the stock companies know cannot be written for such a low charge and make any money. Many mutuals employ solicitors and they have little concern for renewal business. Mr. Metzner defended the commission system. The qualified insurance agent becomes a real counsellor. An insured can trust him with the most confidential information and being acquainted with the needs of the assured, he is able to program his insurance efficaciously.

Tells Some Features of the Reciprocals

Mr. Metzner said that policyholders of a reciprocal exchange insurance through the medium of the attorney-in-fact who has the power to sign contracts under such terms as he deems proper. The liability of the subscribers to one another is several and not joint and is limited to a definite multiple for each single risk. He said that he had examined a number of subscribers' statements and has not found one that meets the requirements set forth in the power of attorney. He recommended that each assured insist on a statement which complies with the power of attorney.

Mr. Metzner holds that the senior mutual plan of a deposit premium is more expensive than paid in capital of a stock company. The general writing mutuals, he said, in order to reduce sales resistance have eliminated the strength that assessability gives and do not offer an effective service to the assured be-

cause the assured's problems as a whole are not available through a single source. Reciprocals, he said, offer a complicated system of individual responsibility, difficult to check so as to determine its worth as a substitute for a capital structure.

Attorney Hudson Talks On New Responsibility

R. P. Hudson, Sault Ste. Marie, attorney, spoke on common responsibility in tort action. In other words, he discussed the liability of governmental units for accidental injuries. The old idea was that a government was immune from a suit of this kind and this has been carried down through the years. This irresponsibility, he said, had an effect on the statutes. State governments are carrying on enterprises that heretofore had been achieved through private business enterprise.

With the advent of the automobile there has been a compromise. The legislatures and judicial bodies, he said, have been trying to arrive at a distinction between business corporate functions and governmental functions such as fire, police, health. Mr. Hudson declared that there is a lack of uniformity among the courts on some phases. There is no uniform action taken between governmental and private acts. Results other than causes, he said, are being considered when liability is brought up. He believes that people are getting away from the old doctrine of irresponsibility and some other principle is being evolved to take its place.

W. E. Hubbard Is Honored

Veteran Battle Creek Agent Has Rounded Out a Half Century in Local Field

As a curtain raiser to the annual meeting of the Michigan Association of Insurance Agents in Battle Creek a complimentary dinner was tendered N. E. Hubbard, head of the Hubbard-Dudley Company of that city by his agency associates in honor of his completing 50 years of service. There were invited to the dinner a number of company managers, field men, local agents and others. Officials of the Michigan Association of Insurance Agents were at hand. Mr. Hubbard's partner, Lee A. Dudley, was in charge of the affairs, made some preliminary remarks and introduced as toastmaster W. P. Robertson, western general manager of the North America. Brief remarks were made by C. R. Street, vice-president Great American; W. T. Benallack, Michigan Fire & Marine, who read an original poem in tribute to the guest of honor; R. P. Barbour, New York City, manager Northern Assurance; A. F. Powrie, western manager Fire Association; W. H. McBryan of Detroit, manager United States Fidelity & Guaranty; Clyde B. Smith, Lansing, former president National Association of Insurance Agents; J. T. Winship, Battle Creek, former Michigan insurance commissioner; A. L. Miller of the Battle Creek "Enquirer News"; C. M. Cartwright, THE NATIONAL UNDERWRITER; J. P. O'Brien, state agent Home; L. L. Coates of Detroit, manager Hartford Steam Boiler.

There were present also Carl Clausen, western manager London & Lancashire; and Harry Hill of Chicago, manager Great American Indemnity. A number of gifts were presented to Mr. Hubbard by his companies, there was a big bouquet of roses at the table in front of him given by the girls in his office, and many of his friends present gave him a radio set. Letters of regret were read from a number of notables including E. C. Stone, manager Employers Liability; R. D. Stafford, vice-president Travelers Fire; F. W. Koeckert, man-

ager Commercial Union; F. C. Gustetter, vice-president Phoenix of Hartford; Carl Freitag, Great American Indemnity; R. R. Marvin, Aetna Casualty, and a number of agents throughout the state.

A gold medal was presented Mr. Hubbard from the Home of New York by State Agent J. P. O'Brien for 50 years of service. A handsome desk pad was received from the Northern of England. H. M. Johnson of the Commercial Union presented an engraved certificate testifying as to Mr. Hubbard's 32 years of continuous representation. W. P. Van Wormer, state agent Phoenix of Hartford, read a letter from his home office and it was framed and presented to Mr. Hubbard.

One of the features of the Hubbard celebration was a display advertisement in the daily papers of Battle Creek inserted by the Joseph C. Grant Company, leading department store, given entirely to congratulations to Mr. Hubbard and in tribute to his community service.

William Quaid, vice-president of the Southern Fire, and public contact man for the Home, fresh from the Iowa meeting, attended the Michigan convention.

Hearing on General's Suit in Michigan Is Postponed

DETROIT, Sept. 16.—In the suit brought in federal court by the General of Seattle to force Commission Ketcham to accept its 20 per cent fire rate deviation filing, hearing on a show cause order, directed against the commissioner was postponed for two weeks. Federal Judge Moinet granted the adjournment as asked by S. S. Greenberg, assistant attorney general, who is representing Mr. Ketcham in the litigation. The judge's order was issued only slightly more than a week ago and Mr. Greenberg found it impossible to prepare his case adequately in the time allowed.

The General is seeking reinstatement of the rate deviation which was given department approval as of Feb. 15 but was disapproved as of May 15. In its peti-

tion it contended, among other things, that the department's action violated the 14th amendment to the federal constitution which prohibits deprivation of property without due process of law. It was claimed that an agency plant had been set up in Michigan solely to operate on a deviated basis and that revocation of approval rendered useless the company's expenditures in developing an agency system here.

Urge Attack on Consumer-Co-ops

(CONTINUED FROM PAGE 10)

tact. These are reasonable men, for the most part, who are loyal in their thoughts to the capitalistic system, and in many cases apparently are all unconscious of their inconsistency in building up cooperatives in the insurance system."

Mr. Wilson said these various trade groups will be receptive to the agents' message because their minds are now fixed on the cooperative menace. It is merely a matter of contact to bring forth invitations to appear at their meetings, show them the fallacy of undermining their own businesses by supporting through the back door the same system for the insurance business. Agents can prove their own strength and offer to join the trade groups in the crusade just as soon as the latter have placed themselves in a consistent position.

Mr. Wilson gave the same address at the annual meeting of the Iowa Association of Insurance Agents in Davenport last week.

Mutual Advertising Group Will Meet in Philadelphia

Honoring the memory of Benjamin Franklin one of America's first advertising and insurance men, the Mutual Insurance Ad-Sales Conference and Exhibits will hold its annual meeting Oct. 12-15 in Philadelphia in connection with the annual convention of the National Association of Mutual Casualty Companies and Federation of Mutual Fire Insurance Companies.

The four day program will cover a number of phases of advertising and marketing insurance and will be featured by exhibits of advertising material.

Among the speakers are Gilbert P. Farlar, typographic counselor, American Type Founders Company, and Billy B. Van, well-known humorist whose concern, the Pine Tree Soap Company, is widely known for its spectacular growth and unusual sales and advertising methods.

Officers of Conference

Officers of the 1936 conference are: President, Paul G. Parkinson, Hardware Mutual Casualty; vice-president, Carl S. Csummett, American Mutual Liability; secretary and treasurer, L. K. Sharp, Mill Owners Mutual Fire.

Assisting them are the following committee chairmen: Publicity, N. C. Flanagan, Lumbermens Mutual Casualty, Chicago; program, Frank Davis, Utica Mutual; exhibits, Paul Purmort, Central Manufacturers' Mutual; awards, Fred W. Lahr, Indiana Lumbermen's Mutual; membership, Ron Wilson, Michigan Millers Mutual Fire; auditing, Wylie C. Sampson, Employers Mutual Liability, and D. W. Sperry, Minnesota Implement Mutual Fire, who is on the executive committee.

Revamping of Oklahoma's Insurance Board Pending

OKLAHOMA CITY, Sept. 16.—Statutory provision for an entirely new state insurance board composed of three members will be proposed to the next legislature by Commissioner Read. Probably he will propose abolishing of the fraternal board as he suggested this action in his annual report recently. Mr. Read would have the new board much like the school land commission in personnel, composed of secretary, state fire marshal, and a state official as a member. The board could assume entire jurisdiction on hearings for rate-making purposes. The fraternal business could be handled by the department, Mr. Read said. He feels there is duplication of effort with all the boards. The proposed board, being made up of salaried state officials, would carry no salary so far as its rate-making activities are concerned, Mr. Read said. All recommendations of the board would be made to the commissioner.

Richardson-Krause is a new insurance and real estate agency in Indianapolis, with offices at 702 Fletcher Trust building. It represents the Richmond Fire and New York Casualty. B. E. Richardson for many years was head of the real estate department of the Fletcher Trust Company, and F. H. Krause has been in the automobile business.

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Greetings from Muskegon, Mich.

• To the Michigan Association of Insurance Agents •

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Easton Agency
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Alberts

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CLYDE B. SMITH
Insurance
Lansing, Michigan

Young Guard Is Now at the Helm in Iowa

Diversified Card Was Presented

Numerous and Lengthy Resolutions Were Adopted at Davenport Meet

GAIN IN MEMBERSHIP

Iowa Deputy Commissioner M. V. Pew of Iowa Advocates New Legislation for the State

The formal program at the meeting of the Iowa Association of Insurance Agents in Davenport was well diversified and the members had an opportunity to hear from some prominent insurance personages outside of the association, as well as to hear the reports on activities of the organization. Registration totaled 245, which was quite an increase as compared with the 1935 convention.

Secretary John S. Cutter reported that membership as of Sept. 1, 1936, totaled 186, a gain of 11 from Sept. 1, 1935. Distribution of membership is now better, he said. Instead of 64, there are now 54 counties that are not represented in the association. He recalled that the Mason City board was reorganized, a board was established in Atlantic and that the Centerville board collapsed. He recommended that an attempt be made to revive the Centerville organization. He said there has never before been the good spirit between the agents' association and field men that exists today.

M. V. Pew Recommends New Iowa Legislation

Deputy Commissioner M. V. Pew of Iowa, in his address, advocated legislation to create minimum financial requirements for new companies and to provide machinery for rehabilitating "sick" companies.

He referred to the fact that the average official life of commissioners in this country is less than three years. He voiced his opinion that this break in continuity of service impairs the service of the departments. He said there should

(CONTINUED ON PAGE 42)



R. W. FORSHAY
Retiring President

Launch Move to Organize Farm Insurance Agents

A group of about 25 that are interested in the project to provide organization activities that will appeal to the rural agent attended a conference at Davenport the afternoon following adjournment of the meeting of the Iowa Association of Insurance Agents. R. W. Forshay of Anita, the retiring president of the Iowa association, promoted this gathering, and he presided.

In addition to leaders in the Iowa association and a number of Iowa field men, there were present several officials of the Illinois Farm Insurance Agents Association, Rosse Case of Marion, Kan., a farm agent of national repute, and three farm department managers from Chicago—C. E. Parks, National Fire, president Farm Underwriters Association; I. D. Goss, America Fore, chairman rates and forms committee of the Farm Association, and C. L. Bloom, Commercial Union.

Officers of Illinois Farm Group Attend

Among those from Illinois were Paul Johnson of Oregon, president; Mark Hall, Belvidere, past president, and O. G. Tradewell, Rantoul, secretary Illinois Farm Agents Association, and C. A. Swarm, Decatur.

W. Owen Wilson of Richmond, Va., chairman executive committee National Association of Insurance Agents, was in Davenport and planned to attend, but found that he had to leave for Chicago in order to get to Battle Creek for the meeting of the Michigan Association of Insurance Agents.

All of those present are convinced that some activities of especial interest to farm agents, particularly in the middle western states, are desirable. They all believe that there is very little in the programs of the present local agents' associations to attract the small town producer. Furthermore, they believe that the scale of dues that is charged members of the local agents' associations is too high for the rural man. The question is whether the projected activities should be a part of the work of the state and national agents' associations or whether these activities should be divorced. Most of those attending the conference expressed the belief that the farm program should be definitely a part of the present agency organization, both state and national. A few of the Illinois representatives dif-

fered with the majority view, however. They believe that there must be a separate organization for the farm agents.

One important question that will have to be settled if the work is to be integrated with that of the present organizations is the amount of dues that will be charged the farm agent. A good many of those present favored setting up a new classification of membership for the rural agent with a lower scale of dues. That is a matter that must be discussed with the National association, because, if lower dues are charged, then the National association must agree to accept a lower contribution from the state associations on account of such membership.

Those from the Illinois Farm Agents Association said that their dues are \$3.50. They expressed the belief that higher dues than that would discourage the rural agent from joining. The suggestion was made that those in the special class with lower dues might receive limited benefits. For instance, the "American Agency Bulletin" might not be sent to them.

Will Take Issue Up With National Officers

Mr. Forshay will take the matter up with officers of the National association at the Pittsburgh meeting and will determine what concessions the National association will make. Mr. Forshay is eager to have whatever activities are undertaken be made a part of the present organization setup.

The conference at Davenport was thoroughly amicable. There was no disposition on the part of those eager to promote such activities to do so with the idea of making them company fault-finding propositions. One purpose of these activities would be to provide the rural agent with material with which to meet the competition of the farm writing mutuals. The point was made that the National association should be interested in this sort of an undertaking, because the successful farm mutuals that expand are very likely sooner or later to be knocking at the city gates. Then there would be educational material for the rural agents that would be particularly applicable. One suggestion was: At the meetings of state local agents' associations the farm agents have a breakfast round table conference.

Pratt President, Forshay Chairman

Arthur Ruhl Is Vice-President, Cutter Secretary of Agents Association

PICK WATERLOO FOR '37

Team of Four Young Streamlined Leaders Will Put New Life into Organization

By LEVERING CARTWRIGHT

The Iowa Association of Insurance Agents is now very largely in the hands of the young guard. The way was paved for the transition at the annual meeting in Marshalltown in 1935, when R. W. (Mickey) Forshay of Anita was elected president. At his side was John S. Cutter of Shenandoah as secretary, and this pair of young men injected some streamlining into the association.

At the 1936 meeting in Davenport, Harry P. Pratt of Sioux City, who had served as vice-president for two years, was advanced to the presidency. He has been an important factor in the organization for several years, but is a youngish man and fits well into the new setup. Mr. Cutter was induced to accept reappointment as secretary and C. Arthur Ruhl, a young streamliner from Davenport, was elected vice-president, with the probability that he will be advanced to the presidency next year.

Forshay Now Chairman of Executive Committee

At the meeting of the executive committee immediately following adjournment of the convention, Mr. Forshay was elected chairman.

That team of Pratt, Cutter, Ruhl and Forshay can be counted upon to put the Iowa association on the map in a very positive way. None of these four is radical, but they are all progressive, energetic and forceful.

The old guard is represented by Sam T. Morrison of Iowa City, who was retained as national councillor.

(CONTINUED ON PAGE 43)



HARRY P. PRATT
New President



JOHN S. CUTTER
Secretary



C. ARTHUR RUHL
Vice-President

Favors Change in Farm Rate Theory

Should Modify the System of Flat Tariff for an Entire State in Use Today

C. E. PARKS GIVES VIEW

Farm Association Head Says Companies Now Would Welcome Organizations of Farm Agents

Although a system of schedule rating that would place each individual farm risk on its merits has not been found practicable, there is a growing feeling that there should be a modification of the system of applying flat rates to an entire state. This was the statement of C. E. Parks of Chicago, farm manager of the National of Hartford and president of the Farm Underwriters' Association, in addressing the annual meeting of the Iowa Association of Insurance Agents.

There is a feeling that unprofitable areas should stand on their own loss experience and that favorable loss ratio sections should be rewarded with a lower tariff, he said.

Mr. Parks urged the organization of farm writing local agents. Progressive company people favor such a move, he declared. Years ago there was a fear that if such organizations were formed, they would simply indulge in criticism of whatever moves were made by the companies. However, today that fear has been dissipated and the companies believe that much good can be derived through joint discussions between agency and company representatives. The companies would welcome increased activity in this direction. He suggested that the organization of farm agents should be allied with the state associations of local agents.

Should Study Setup of the Local Farm Mutual

Mr. Parks spoke of mutual competition. The methods of competing with city and farm mutuals differ, he pointed out. A farm solicitor should study his own local problem. He should find out how the local mutual is managed, discover its loss payment record, the coverage that is granted and provisions of the contract. The arguments must be specific. There is no use trying to get the business by "abusing" the mutuals through vague statements," he declared.

The five annual installment plan is the best method of writing the business in competition with mutuals, he declared. It has been a life saver to agents in times of financial stress. Many agents persist in pushing for three year cash or single note business. In doing so the agent is taking a chance that the client will shy away from the sizable premium. In Iowa the annual charge under a three year policy is only 4 cents less than under a five year installment contract. The commission return is about the same.

Mr. Parks surveyed the farm underwriting picture as it has developed during the past 17 years. He recalled the farm boom of 1919 when farm policies were assigned four or five times in as many months due to change in ownership, each transfer representing a profit to the seller. Late in that year the bot-

Eyes of the Iowa Agents Opened by Director Palmer

Insurance Director Palmer of Illinois added to his banquet successes at Davenport as principal (but not the only) speaker at the convention dinner of the Iowa Association of Insurance Agents. His address was 75 percent straight humor, 20 percent satirical with a stinging undertone and 5 percent quotable criticism. He was new to a large part of his audience and he gave the Iowa agents a new conception of the word "scintillating."

Mr. Palmer asserted there is too much mystery and too many complexities in the fire insurance business. An enlightened attitude towards public relations is needed, he declared. Many of the laws and rate-making machinery "creak with age," he charged.

Cites Multiplicity of Bureaus in Insurance

In the stock fire business there are, he declared with crescendo emphasis: "Bureaus upon bureaus upon bureaus. There are big bureaus with little bureaus to bite them ad infinitum."

The stock fire companies, he asserted, have yet to learn that the public must be "let in on some of the secrets."

Mr. Palmer was not given the floor until 10 o'clock as various dignitaries were called upon, there being some ceremonies honoring past presidents, etc.

Will H. Harrison, state agent of the National, was toastmaster. R. H. Waternman, Davenport local agent, favored with some vocal selections. There were greetings from the mayor of Davenport, Robert Evans of Des Moines, a past president, made a short talk. C. E. Ford of Des Moines, another past president, paid tribute individually to some of the other past presidents and Past President W. A. Scherfe of Fort Madison did likewise. Special recognition was given William Weir of Davenport, who was president in 1911 but is no longer an insurance man.

E. H. Warner, president of the Merchants Mutual Bonding of Des Moines, conducted services for the past presidents who died during the year.

Others who were introduced, some speaking briefly, were: B. D. Forshay, father of the retiring president; F. J. Budeler of Rock Island, president Illinois Association of Insurance Agents; Paul O. Johnson of Oregon, president Illinois Farm Insurance Agents Association; Rosse Case of Marion, Kan., and Deputy Commissioner M. V. Pew of Iowa.

tom dropped out. Country banks started to fail, the remaining ones tightened up on loans, mortgagees ceased lending and insisted on reduction of principal of loans and there were many foreclosures.

The farm companies had piled up liability during the halcyon days. It became necessary to reduce or rewrite thousands of policies to get them in line with the new deflated values and to underwrite from a utility rather than a replacement basis. The agents cooperated locally, he said.

By 1932, prices for farm products reached an alarmingly low level. From the ruins arose a better understanding, according to Mr. Parks. More liberal credit facilities were made available to the farmer. The corn loan program was of particular benefit in Iowa. These measures filled a temporary need and from an underwriting standpoint served



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as a "sleeping powder for moral hazard."

The year 1935 developed into the brightest season farm companies had encountered in 14 years. It was the first year to yield a real profit. It was so good that the five year loss ratio on fire business on all Farm Association companies showed a drop of eight points compared with the preceding five year cycle.

Then toward the middle of June of 1936, the companies realized they were up against a more widespread drought than had been encountered in 1934. Losses swept upwards and in June the losses were the heaviest in the past 18 months. There has been an unprecedented number of losses on grain in fields and on hay in stacks. There were more losses on barns and contents in June than during the entire preceding year. The record this summer threatened to spoil what promised to be a continuation of the 1935 profits. He said this illustrates how quickly underwriting experience can be changed from profit into loss.

The country is better able to "stand the gaff" of the drought this year than it was in 1934, he declared.

In the future should an unusual surplus be accumulated, he expressed the belief that industry will join with agriculture in suggesting constitutional amendments to the government for meeting the problem. Agriculture will never again be permitted to reach the low level that it did late in 1932.

There is an increase in farm land values without an indication of a boom. Good farm land is no longer a drug on the market. The long term credit and low interest plan adopted by the federal land banks and by certain life companies is enabling many tenant farmers to purchase land. Thousands of investors are turning to farms as a safe investment.

Diversified Card Was Presented

(CONTINUED FROM PAGE 40)

be adequate appropriation for the department so that proper personnel may be obtained and retained.

"The law as it now stands," he declared in speaking of financial setup of new companies, "is quite indefinite and, while we have not hesitated to use our general discretionary powers to make such requirements, our right to do so has been questioned. While many now successful institutions have started from scratch, we do not feel that the public should unknowingly take all the chances. Without interfering with the status of any companies now operating, we believe legislation can be formulated to solve this problem satisfactorily and to operate as a preventive for some unhappy situations of the past."

In advocating a rehabilitation status, he said "the only treatment now available in Iowa for a financially sick or mismanaged company is the death sentence."

"Trying to make any modified use of this power," he said, "is like attempting to hit lightly with an exceedingly sharp instrument. While we have not and will not hesitate to use our full power when we find conditions warrant, we feel that a rehabilitation statute enabling the commissioner to take over the operations of a company and maintain it as a going concern would be desirable."

N. P. McGovern Gets Big Hand from Audience

N. P. McGovern, special agent for the St. Paul and most loyal gander of the Blue Goose, got a big hand when he was introduced to bring greetings from field men. He declared that field men should work with established agents instead of striving to bring new persons into the business. The time has come, he said, when the field man can be an educator instead of a trustee or balance collector. The new coverages that have been made available are a boon to the

Agent Is Responsible Under New Supplemental Form Rule

Iowa laws relating to contribution place a definite responsibility on agents in handling the supplemental contract and the large amount of combined fire and tornado business offers an unusual opportunity to push the sale of this new cover. These were the two major premises of the address of I. H. Ramaker of Davenport, assistant secretary Security Fire, before the Iowa Association of Insurance Agents.

The insurance laws of Iowa prohibit a contribution clause and permit coinsurance only where specific application is made and the application and the clause are signed by the assured. Since contribution with all fire insurance on the risk has always been an essential part of the supplemental contract, this contract has never been authorized in Iowa, although it had been in force for residential risks in neighboring states for over five years. When the supplemental contract for business risks was introduced in other middle western states, the demand from Iowa agents became so great that the companies finally yielded in February, 1936. For the prohibited contribution or apportionment clause there was substituted a simple agreement that the assured shall carry similar insurance in the amount of fire insurance carried on the described property.

Responsibility on Agent

Mr. Ramaker pointed out that this situation puts it squarely up to the agent to protect both assured and company by seeing that the requirement is observed. If coinsurance is embodied in the contract, the assured will suffer if the requirement is not met, while the company will be the loser if there is no co-insurance. Finally, Mr. Ramaker pointed out, the Iowa supplemental contract is issued at the same low rates as are used in other states, which rates are predicated on use of the contribution clause and addition of the supplemental contract to all fire policies on the risk. If the agreement is not generally observed and the companies are compelled to pay

real agent and a threat to the "curbsomer," he declared.

When J. Dillard Hall, assistant agency director of the U. S. F. & G., ended his address on highway safety, Sam T. Morrison of Iowa City presented a resolution in point that was adopted. It recommended that agents direct their activities in the direction of coordinating and assisting the work of organizations now functioning in behalf of safety.

Gives Informative Paper On Supplemental Contract

The first speaker at the second day's session was I. H. Ramaker, assistant secretary Security of Davenport. He gave an informative paper on the supplemental contract. The point was made from the floor that where the supplemental contract is used, the exclusion items must be carefully considered in applying co-insurance. Particularly should attention be given to whether to exclude foundations and underground plumbing. There is danger in such exclusion because explosion coverage is provided in the supplemental contract.

R. E. McCauley of Atlantic, a man who has come forward prominently in the association, reported briefly as chairman of the farm committee. He referred to the problem created by the fact that practically all farm associations and cooperatives in the state have some self-insurance scheme or some special arrangement that eliminates the local agent.

C. E. Parks of Chicago, farm superintendent National and president Farm Underwriters Association, followed with a paper on farm insurance.

J. R. Vaughan of Waterloo gave a lengthy report as chairman of the reso-

an appreciable number of losses without contribution from all fire insurance carriers, rates will prove to be inadequate and the companies will be forced either to increase rates or withdraw the supplemental contract from Iowa.

On the selling question, Mr. Ramaker stated that Iowa agents and assured have generally been conscious of the wind-storm hazard and that an unusually large proportion of Iowa business has been on the combined fire and tornado basis. This means that the additional premium necessary to substitute the supplemental contract and extend cover to include explosion, riot, aircraft, self-propelled vehicles and smoke damage is very small. In spite of this, the supplemental contract has been attached to a much larger percentage of policies in neighboring states, where the combined fire and tornado policy has never been as popular. This means that agents in other states have been up against a more difficult sales proposition, since they had to convince assureds that they should increase their windstorm insurance or buy windstorm cover where they had none previously, as well as pay for the other supplemental coverages.

Only Small Increase

Thus an Iowa agent, stated Mr. Ramaker, has in most cases only to sell his assured on a very small increase in premium, since most of them already carry fire and tornado insurance in equal amounts. Perhaps, he continued, the small additional premium has made the line unattractive to insurance men because of the small remuneration involved.

In suggesting that the supplemental contract be offered to all assured, and especially those now carrying combined fire and tornado cover, Mr. Ramaker suggested filling stations and garages as outstanding prospects. These businesses are keenly aware of the motor vehicle damage hazard and in the event of an uninsured loss will surely blame their agents for not covering them adequately.

lutions committee. Among the memorials was one favoring an automobile rate differential to benefit the good driver and penalize the poor. Encroachment upon the rights of agents through overhead writing was condemned. The 5 percent countersignature commission was characterized as "adding insult to injury." Control of business by coercion was denounced. Finance company handling of auto insurance and the insurers that offer their facilities in this connection were criticized. The state board of education was memorialized to insure its properties in sound private companies. The invitation of Waterloo for the 1937 convention was approved. The bulletins of the Western Underwriters Association, Business Development Office, and Washington service office of the National Association of Insurance Agents were endorsed.

The final speaker was W. Owen Wilson of Richmond, Va., executive committee chairman of the National association, who was warmly received.

Just before adjournment, W. A. Scherer of Fort Madison, a past president, was given the privilege of the floor and asked that the resolutions committee insert a memorial, using forceful language, to denounce the operations of New York and Chicago brokers, which he contended are able to get from the companies especially low rates on some Iowa risks. He seemed to be particularly incensed because a non-resident broker had obtained a rate of 19 cents for a cereal factory in Keokuk.

R. E. McCauley of Atlantic brought to Davenport checks and applications for membership for nine agents of his town, where a local board has been organized.

Personalities at Davenport Meet

Harry P. Pratt, the new president of the Iowa Association of Insurance Agents, has been in the insurance business 16 years in Sioux City. He is vice-president and manager of Grandy, Pratt & Co. Before entering the insurance business, he was in the wholesale grocery business. He has been active in the affairs of the Iowa association since 1923. He has served as vice-president for the past two years. He was slated to become president in 1935, but he was then just recovering from an illness and desired not to assume the responsibility at that time.

* * *

C. Arthur Ruhl, who was elected vice-president, is one of the young guard of that organization. After a short experience with the Iowa rating bureau in 1919, Mr. Ruhl and his brother, Edward L. Ruhl, went into the local business in Davenport in the agency that was established by their father in 1862. It is the oldest insurance agency in Davenport. The brothers bought out the interests of their father's brother, Mr. Wernentin, the agency having formerly been known as Ruhl & Wernentin. It is now Ruhl & Ruhl.

Arthur Ruhl was elected a member of the executive committee of the state association last year.

* * *

R. G. Osgood, assistant western manager of the North America, set up headquarters in Davenport for his company.

* * *

Karl Weipert, automobile superintendent in the Chicago office, and Lewis Cassell, Illinois state agent, accompanied Walter Meiss, executive general agent of the London Assurance, to Davenport. Mr. Meiss was one of the featured speakers at the meeting. He left Davenport to spend a few days in the Iowa field with State Agent O. W. Follett.

* * *

C. L. Bloom of Chicago, farm superintendent of the Commercial Union, attended the meeting and participated in the farm conference at Davenport.

* * *

J. W. Burden, automobile superintendent, went to Davenport from Chicago representing the Hartford Fire.

* * *

J. P. Keevers, manager, and William Browne, production manager, represented the Chicago office of the Maryland Casualty.

* * *

Russell Chaloner of Chicago, assistant manager of the American Automobile, fraternized with the Iowa agents at Davenport.

* * *

James McHugh, a former Iowa field man, who is now agency superintendent in the western department of the Hartford, mingled with old friends.

* * *

B. D. Forshay, father of the retiring president and associated with him in the Forshay Loan & Insurance Agency, went to Davenport to function as proud parent. At the opening session H. P. Pratt took the chair and had B. D. Forshay take a bow.

* * *

Dan Kirby, president of the Western Surety of Sioux Falls, S. D., the company that writes a large proportion of the beer bonds in Iowa, attended the convention.

* * *

E. W. Clark, former Iowa insurance commissioner, made the trip. He is chairman of the United Home Bank & Trust Co. of Mason City, an institution that was established about two weeks ago.

* * *

Martin L. Seitzer of Des Moines, Iowa general agent of the Aetna Life, sat in during the sessions.

* * *

The committeemen appointed to serve during the convention were: Nominating—Lew Benedict, Cedar Rapids; Sam T. Morrison, Iowa City; F. W. Colvin, Sioux City; Resolutions—J. R. Vaughan, Waterloo, J. F. McCargar, Council Bluffs; L. Rubek, Cedar Rapids.

* * *

J. D. Wadsworth of Council Bluffs, after reporting as chairman of the auditing committee, tripped on the rug and was pitched to the floor. He suffered no injury.

Positive Action Seen in Michigan

(CONTINUED FROM PAGE 33)

could he sell it with any degree of justification. In his opinion not one risk would be recovered from the cooperatives or one transferred from the self-insuring class to reinsurance group by this scheme.

The retrospective plan applies only to premiums of \$5,000 or over. Mr. Carter said that when an agent sold a policy that he felt was out of line with what it should be, he could not justify himself in others. He said, for example, that he cannot recommend this form of rating where an assured liquidates his losses with his own money. The new standard premium, he said, reflects losses already liquidated on excess premiums. Mr. Carter said that he does not want to be a one-year salesman but he must sell on confidence. He declared that double penalty is inflicted by the retrospective plan when an assured's claims go beyond the danger line.

Danger in Extension of the New Plan

In the first place, it is necessary to get an initial deposit quite large because the penalty charge must be inflicted. He said that the National Bureau of Casualty & Surety Underwriters and many company officials are proponents of this plan. Many take the position that the retrospective plan really belongs to risks that produce between \$20,000 and \$25,000 in premiums. He said there are only 10 such in Michigan. If the retrospective plan is adopted for risks of \$5,000 premiums or excess, he said it would probably be adopted for other classes.

Mr. Carter analyzed the compensation loss ratio situation during the last few years, saying that in 1934 the claim ratio showed improvement. In 1935 the trend downward has not been reflected in present rates nor has it during the nine months of 1936, although the claim ratio shows an improvement. The underwriting, he said, is done on the current dollar income and outgo basis and yet this experience is not reflected in the rating program. He pointed out the fact that rates still reflect the depression years, although since then the conditions have greatly improved. There is no credit given for the last two years where the loss ratio has greatly improved. He said, for example, that the first nine months of this year should be considered in a rating system.

Experience Plan Needs Modernization

"We are not doing justice to compensation rating with the tools we have," said Mr. Carter, "but an assured should get credit for the true condition of his risk and the rate should reflect the experience of more recent months."

Mr. Carter said that companies naturally must make money or the market will be closed. An agent, he declared, if he is dealing with large risks must be practical and efficient in his safety and engineering service but even with this he is baffled with an antiquated rating plan. He came out very strongly for a revision of the experience plan and said it should be brought up to date.

Under the retrospective plan all the risks of a concern are pooled together. A risk in one section under poor management does not show the favorable claim ratio that another does with a more efficient management. The retrospective plan, he said, is distinctly an interstate system. It means that there has to be one broker or agent handling the entire line. It applies to compensation insurance on a national basis. Thus the resident local agents are pretty much ignored. Mr. Carter contended that there is no justification in going beyond the experience rating plan. If it could be modernized it will do the work.

He said there is twice as much required as before in the retrospective plan and the agent's commission is cut in

half. Already, he said, the plan has been filed in six states. A risk, he said, with a poor loss ratio is penalized twice and those with very good loss ratio get a double credit. Mr. Carter gave it as his opinion that it is impossible to secure large risks on the plan. The mutuals, he said, are making money on the big risks. Since the retrospective plan has been put into operation in Massachusetts he said that he could not find that any risk has been reclaimed from the mutuals, although it has been in effect there since May 1. He predicted that the mutuals will continue to hold their risks and the self insurers class will remain intact.

Mr. Carter put it down as a good thing to bring before people who object to paying acquisition cost and therefore favor the mutuals the fact that if a concern chooses the mutuals because it objects to the commissions paid by stock companies, then to be consistent, the selling cost in all enterprises should be eliminated. There is no reason why it should be recognized only in insurance. Stock companies, he said, are doing all they can to reduce costs. All that is needed now, he feels, is to get the experience rating plan brought up to date and he thinks that that will serve the business in good stead.

W. Owen Wilson Gave a Strong Address

W. Owen Wilson of Richmond, Va., chairman of the National Association of Insurance Agents executive committee, was present and gave the same talk that he had previously the day before at the Iowa agents' convention, a resume being found in another column. He said now that the membership of the National association is 12,800, which represents about 70,000 agents. He stated that the executive committee is endeavoring to get the National Association of Insurance Commissioners to appoint a permanent conference committee to deal with the agents. He characterized Kenneth H. Bair as a practical idealist. Mr. Wilson stated that undoubtedly the relations with company organizations have greatly improved during the year.

E. C. Lunt, surety vice-president of the Great American Indemnity, proved to be a whimsical, quaint and pithy humorist. In speaking of contract bonds he said that this is a type of business that local agents should seek, the premium is large and the securing of a bond usually leads to incidental casualty premiums. He said there is more discussion between underwriters and agents over contract bonds than any other class.

The underwriter wants, in the first place, to know that the risk is a good moral one. A contractor should have adequate experience and sufficient equipment. These, he said, are fundamental requirements. He must have sufficient capital and the company must consider whether his bid is out of line or not. Of very important moment is the financial responsibility of the contractor. His net quick assets must be set up against his current indebtedness. The companies want an accurate financial statement, preferably prepared by some outside accountant of high professional standing. He characterized the contract bond as a venturesome business. It is not easy to get dependable information at times. How much capital should the contractor have with relation to the work on hand, he asked. He thinks that there should be from 15 to 20 percent of the work on hand in the form of net assets.

Surety Imposed On in Public Official Bonds

Speaking of public official bonds he said there is always a tendency of court officials to go beyond the statutes and impose on the surety, whether the principal is liable or not. They bring into the picture as much liability as they possibly can for the surety, he said.

In speaking of fiduciary bonds he said the losses have been quite heavy during the last few years. Many fiduciaries hard hit have dipped into trust funds. Surety companies are more and more requiring joint control. Fiduciaries, he said, often treat trust funds as being loaned to them.

H. C. Conick of New York, assistant United States manager of the Liverpool & London & Globe, who was attending the meeting, was called upon to tell something about the Business Development Office. He said it is a joint cooperative proposition. Mutual companies, he said, are becoming far more aggressive. Many heretofore were limited in area in their operations geographically or confined themselves to a particular class. They are now branching out in every particular. He said there has been a lack of knowledge on part of agents of the underlying operations of mutuals and their structure. He said where a local agent has serviced an account very satisfactorily and taken care of it the mutual cannot do much to dislodge the business. They take advantage of those assured where the agents have not given the attention they deserve or have not intelligently serviced the risk. He said that valuable information will soon be made available from the Business Development Office. He thinks that the organization is very fortunate in getting a man of F. S. Dauwalter's type to head the movement. He is the right man in the right place, said Mr. Conick. Mr. Conick declared that the resident local agent has a great advantage over a traveling solicitor for a mutual. He predicted that during the next five years the cooperatives will be called upon to defend themselves and instead of reaching out for business and taking it away from stock companies their time will be employed in trying to hold what they have.

Pratt President, Forshay Chairman

(CONTINUED FROM PAGE 40)

Two new members were elected to the executive committee, they being Ludwig Rubek of the L. H. Stubbs agency of Cedar Rapids and B. L. Holton of Waterloo.

Frank Hendricks of Council Bluffs and Arthur Ruhl were reelected to the executive committee.

The executive committee decided to accept the invitation of Waterloo to hold the 1937 convention in that city. The date for this meeting will be set later.

The attendance cup that is given each year to the local board which has the largest proportion of members at the annual convention went to Council Bluffs. There were six agents from that city present.

Burton Now Heads Colorado Agents

(CONTINUED FROM PAGE 4)

ver agency and Charles F. Wilson met on the street in July, 1896, and discussed the many unsatisfactory conditions then prevalent in the insurance business. Mr. Brannen made an appeal for a meeting in Chicago, Sept. 30, and the association was created, because Mr. Wilson had pointed out in Denver that day that "You cannot do anything until you get the local agents of this country banded together."

Should Support National Body

Mr. Dunbar called on the insurance fraternity to take advantage of the "splendid accomplishments" of the national body. In addition he urged the Colorado group to support the Nebraska association in its campaign to bring the mid-year meeting of the national body to Lincoln. The state association heartily endorsed this effort to bring a national meeting to the west and pledged full support.

Commissioner Ham of Wyoming presented the closing address, wishing the

group "all the success in the world in your qualification law." He declared a good agency force is one of the most important of three features of a well organized insurance company. The other two requisites are an ample capital structure and a capable home office.

Requirements for Good Agent

He set up four requirements for the qualified agent: (1) Honest, not only with money entrusted to him, but with his prospects and company; (2) well educated, insurance-wise; (3) of good moral character; (4) enthusiastic about his work and his profession.

"Insurance departments would like to see these qualifications demanded in the insurance fraternity," Commissioner Ham declared.

In addition to endorsing support of the new qualification law, the convention approved several other resolutions, among them, that officers of the organization continue to exert efforts to obtain commissions for fire insurance agents in this state as large as any other state, because of the favorable Colorado loss ratio.

"Members of this association should make themselves heard whenever they see the practice of appointing part-time and rebate brokers," one resolution read. Another demanded that the insurance commissioner "enforce vigorously" the laws enacted in Colorado for protection of the insuring public.

Mutual Competition Attacked

"Mutual" competition is still a growing menace in view of rate cutting and excess commissions," another resolution prepared by the committee headed by Mr. Burton, declared. "We again ask that stock and affiliated companies take immediate and effective action to meet this problem. It is a company problem and one that they must handle without further delay."

Another resolution approved recommended that the local boards devote some time each year to educational work of the insurance business for the improvement of members. Safety work and fire prevention work were demanded of every member of the association.

The convention closed with a note of optimism for the future based on the past year's success for which President England and the officers were praised. Membership gained 25 percent.

Business was intermixed with pleasure when a banquet was held Friday night which was attended by over 100 members and their wives. Herbert Fairall was toastmaster. The member traveling farthest to attend the convention was the veteran Charles F. Painter of Telluride—486 miles from Denver. Miss Belle Daring, Rocky Ford, the association's only woman member, was another prominent figure in the sessions.

ENGLAND GIVES REPORT

Retiring President England, in his annual report, called attention to the progress of the Colorado association since its organization six years ago. He praised the work of the membership committee, stated the treasury is in good condition and reported that a local board has been established in Fort Morgan, with another under way at Sterling and other cities. He said considerable headway has been made by association members in reclaiming automobile finance business. He urged a continued fight on competition from non-members and non-affiliated companies and also urged a strong front to combat the promiscuous licensing of agents, many with no previous experience and without financial responsibility, by companies seeking to build up and expand their business. He also emphasized the value of the Stock Fire Business Development Office and urged members of the association to cooperate with its program.

October Fire Prevention Month

October will be fire prevention month in Dallas, arrangements being under way to bring home to property-owners the economic loss caused by fires.

THE COP

JOB OF TRAFFIC COP
IS BOTH IMPORTANT
AND DANGEROUS

HE'S A FRIEND OF OURS

HIS JOB WOULD SOUR
THE DISPOSITION OF
AN ANGEL

LET'S HELP HIM BY
DRIVING SAFELY

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

**EMPLOYERS
REINSURANCE
CORPORATION**
E. G. TRIMBLE, President

The NATIONAL UNDERWRITER

September 17, 1936

CASUALTY AND SURETY SECTION

Page Forty-five

Could Reduce Non-can Benefit Cuts

A. M. Best Plan Limits Reductions to 40 Percent of Proposal

LIFE END UNPENALIZED

Realization of \$15,000,000 Would Make Biggest Slash 32 Percent Instead of 80

NEW YORK Sept. 16.—The fairest plan of handling the Pacific Mutual Life situation would be to place the company in receivership, thereby terminating all contracts as of that date, and sell the company on the best terms obtainable, which should realize enough money to reduce the proposed cuts in benefits by 60 percent, according to Alfred M. Best, head of the A. M. Best Co., who was influential in getting the Pacific Mutual to go into the non-can field and who holds Policy No. 1.

Mr. Best made it clear that he does not favor penalizing the life and ordinary accident and health policyholders, who have paid adequate premiums, and that he considers it entirely equitable for the burden to fall on the non-can policyholders.

Deficiency Only on Active Lives

Explaining his proposal, Mr. Best pointed out that the \$24,600,000 deficiency is not for claims already incurred but is solely for expected losses on active lives on which premiums are currently being paid. This liability for future claims disappears, he said, the moment the company is thrown into receivership, and the non-can policyholders become entitled only to pro-rata share of unearned premium reserve.

With this liability wiped out, the Pacific Mutual, instead of being \$17,500,000 in the red would immediately be about \$7,100,000 in the black. A reinsurance company should be willing to pay about \$8,000,000 for the life and regular accident and health business, Mr. Best believes, while accepting the non-can business at the proposed reduction scale ranging from 80 percent to 10 percent. The liquidator would sell the company on this basis, stipulating that the \$8,000,000 purchase price and the \$7,100,000 realized by wiping out the \$24,600,000 deficiency should be applied to reducing the cut in non-can benefits.

The approximately \$15,000,000 made available in this way would be about 60 percent of the \$24,600,000 which it has been estimated would be required to enable the company to continue non-can benefits on their contemplated scale at the present premium levels. This would mean that the maximum reduction of benefits, instead of a proposed 80 percent on the oldest policies would be only about 32 percent. There would also be a provision for reducing the cut still further if results justified it.

Rejected Risks Debated in Illinois O. D. Hearing

The much postponed hearing before the Illinois Industrial Commission with regard to endorsements and assignment of risks under the new occupational disease law going into effect Oct. 1, was finally held in the commission's headquarters in Chicago, although little in the way of definite action was accomplished. Industrial Commissioner Peter J. Angsten was in charge of the hearing, assisted by J. D. Cronin, security supervisor.

There was not a great deal of discussion from the floor principally because company representatives were to a large extent still uncertain as to the action that will be taken by their home offices and consequently were not in position to take a definite stand on the questions involved. It appeared, however, that the proposal of the National Council on Compensation Insurance, which would provide for assignment of risks through an administrative committee similar to that now assigning compensation risks, is favored by the majority of representatives and is at present being studied by the industrial commission. Commissioner Angsten announced that another hearing will be held Thursday of this week to take final steps for adoption or rejection of the plan and Chicago offices have been busy all week conferring with home office representatives with a view to clarifying their position.

Angsten to Make Report

At the meeting this week Commissioner Angsten will report on the acceptability of the National Council's plan by the commission and it is expected that companies who are not now subscribing to the plan will either accept or reject it at that time.

The big question, of course, is how to handle risks that are not able to obtain insurance. Although he had not as yet had an opportunity to study the National Council plan, Mr. Angsten expressed the belief that the O. D. situation could be handled right along with the regular compensation plan in the state. Thus, if the council's plan is subscribed to by the rest of the companies at the meeting this week, instead of a pool to divide the liability among all participating companies, each company to which a risk is assigned will be responsible for the entire liability on that particular risk. In other words, companies assigned a risk would agree to "take their medicine" on that risk.

Forms and Endorsements

So far as forms and endorsements are concerned, the commission has already given approval to the wording of forms to be used by those employers electing to come under the law. Mr. Cronin in opening the meeting expressed the hope that companies would, for the sake of uniformity, abide by the forms approved by the commission, rather than develop others of their own. He also gave support to Mr. Angsten's view that O. D. could be effectively handled on the assigned risk plan, pointing out that the similar plan on compensation business had produced a loss ratio of 34 percent in 1935.

In setting forth details of the National

Council's plan, G. V. Fuller, assistant secretary of that organization, New York City, emphasized that the plan could not become effective unless subscribed to 100 percent by all companies. Assignments would be handled by a committee which would operate under the guidance of the Illinois regional committee and general manager of the National Council. Cancellation on any risk could be effected by application to the administrative committee, with the provision that both carrier and assured have the right of appeal to the regional committee and, if necessary, to the general manager of the council.

Follows Other Plans Closely

Mr. Fuller stated the plan follows closely the plan used for compensation in Illinois and nationally, with some exceptions. The plan has been submitted to all carriers operating in Illinois. Mr. Fuller announced that 47 companies had already subscribed to it, 19 had not as yet made up their minds and it had been definitely rejected by one. The 47 companies already subscribing write 80 percent of the compensation premiums in Illinois. He pointed out, however, that the plan as submitted need not be considered final and that matters of administration and other considerations may necessitate modification.

He gave three provisions in the plan with which all employers electing to come under the O. D. law must comply: The employer must, at his own expense, provide for medical examination and x-rays

(CONTINUED ON PAGE 59)

Jos. Futz Urges Wilson for National President

EIGHTY-FOUR, PA., Sept. 16.—Jos. Futz, insurance man who has attracted wide attention by his manifold activities, using that political acumen he evinced in acting as campaign manager for Bernard Hoff, candidate for township trustee, has written a confidential letter to K. H. Bair of Greensburg, Pa., president National Association of Insurance Agents, suggesting that W. Owen Wilson of Richmond, Va., now chairman executive committee, be elevated to the presidency at the forthcoming convention at Pittsburgh. Mr. Futz undoubtedly will figure conspicuously in the inside work of that great gathering. While Mr. Futz has never met Mr. Wilson yet he has read some of his speeches and at his own policyholders watermelon picnic here he had a close conference with Chas. Heintz Bokman of Pittsburgh about him. Mr. Futz declares that Mr. Wilson is a thorough going American and will hold the reins tight. "Owen Wilson," he adds, "is the man of the hour. He is a regular he-man and will stamp out communism with an iron rod. He is a chip off the old block."

Claim Men Gather at Seigniory Club

President R. K. Metcalf Reviews Progress at Convention of Association

THIRTEEN NEW MEMBERS

Harold R. Gordon, C. C. Birchard, C. B. Hirons and Other Officials on the Program

NEW OFFICERS ELECTED

President—D. R. Mackenzie, Manufacturers Life.
Vice-president—Daniel J. Reidy, Guardian Life.
Secretary—Louis L. Graham, Business Men's Assurance.
Treasurer—F. L. Templeman, Maryland Casualty.
Executive Committee—A. G. Fankhauser, Continental Casualty, chairman; R. K. Metcalf, Connecticut General Life; R. E. Sumner, London Life; E. D. Millea, Equitable Life of New York; W. I. Morrow, Aetna Life, and C. A. Handy, Union Central Life.

SEIGNIORY CLUB, QUE, Sept. 16.—Possibly due to its unique location, a banner attendance of 250 was recorded at the annual meeting of the International Claim Association here this week. Following the custom of several years standing, a handsome gavel was presented by the chairman of the executive committee, Daniel J. Reidy, assistant secretary Guardian Life, to the president of the association, Robert K. Metcalf, manager claim department Connecticut General Life.

In his remarks as president, Mr. Metcalf stated that the various committees had been appointed early in the fall and had been working hard for the advancement of the association. He said in part: "In reviewing the history of the International Claim Association, it is readily apparent we have progressed a considerable distance along the road laid out by its founders. This progress is evident in the sustaining interest shown from one year to the next and the development of a cohesive spirit on matters of fundamental importance. There is still a long way to go before we can say that through this vehicle we are deriving maximum benefits. In the several years during which I have been privileged to participate in its administration, to a lesser or greater degree, I have consistently believed that in this association we have the logical means to create and maintain a constructive, fair, and protective management of this profession. No one person nor any single company can develop a system which is equitable, fraud-proof, and intelligent in its conception these days of multiple risks. It takes a cooperative spirit and an adherence to the often reprinted article 11 of our con-

(CONTINUED ON PAGE 57)

Claim Letters Can Build Sales in the A. & H. Field

Every claim letter is a sales letter and, if effectively written, it will be an advertisement reaching many people, declared Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, Chicago, at the annual convention of the International Claim Association at the Seigniory Club, Quebec.

The man in the claim department of an accident and health company who writes letters to the company's claimants must be a good salesman, he declared. He must possess a psychological knowledge of the use of words to do a selling job whenever he writes to a disabled policyholder. The reputation of a company may be influenced greatly by whether or not letters that go forth from its claim department are of a type to impress the claimant with the company's honesty and fairness and unconsciously to instill in him a friendly attitude.

Human Factor Important

Mr. Gordon pointed out that the job of maintaining good will is a particularly difficult task in the disability field because of the human factor in that line of business. Whereas fire and most casualty lines have to do with property, accident and health or disability insurance is of a personal nature where no one measuring stick can be found to evaluate the same disability. Last year, he said, there were over 2,000,000 accident and health claims paid to policyholders in the United States and, in addition, a large number of disability claims on life policyholders. "These more than 2,000,000 persons suffered a personal injury or illness and the human feature of each disability affects the settlement of such losses. The part the letter from the claim man to the claimant plays in sustaining good will is one deserving of the most careful consideration and study on the part of claim departments."

Mr. Gordon emphasized the serious damage that may result from unsatisfactory claim adjustments, which might have been straightened out if a courteous, diplomatic and tactful letter had reached the proper person. Many legislative proposals for the correction of imaginary wrongs imposed by accident and health companies are a direct result of such unsatisfactory claim settlements. In nearly every case of a misunderstanding, he said, the company has been fair and honest in its dealings but the claimant has failed to receive a proper explanation, with the result that he seeks to obtain a remedy by legislation.

Damage May Result

Although such cases are exceptions, one untactful or curt letter may result in loss of considerable business, the embarrassment of a successful agency and the spreading of misleading information to many of the claimant's friends. He classified claim correspondence into three general groups—letters accompanying claim check, involving no question as to liability or amount due; letters explaining an adjustment, and letters denying all liability. Particular effort should be made in handling correspondence involving the last two groups.

In every claim letter a positive tone, a "reader" tone or a friendly and courteous tone may be used. Mr. Gordon pointed out that individuals are affected by a positive or negative tone and where a claimant receives a letter in a negative tone, he immediately becomes antagonistic and suspicious. A negative attitude may unconsciously creep into the correspondence and claim men should be careful to avoid this. A positive tone will invite cooperation and create confidence in the claimant that he is dealing with a friendly institution.

The "reader" tone in a letter is the ability of the writer to express himself in terms of reader understanding. The claim man should place himself in the policyholder's place and attempt to get his viewpoint. The claimant is interested in himself and his disability or sickness, and therefore, when a letter reaches him, it is something of unusual interest to him. The claim man may learn something about the claimant from his application, proof of loss or his other correspondence, and it should not be difficult then to talk to him in a letter in terms that will remove much of the formality that exists in correspondence.

The friendly tone is warm and courteous. Inasmuch as the claim letter may be the first ever received by the claimant from the company, if friendly, it will make a favorable first impression on him. A formal letter may properly convey all the information that is necessary for the claimant to have an understanding of his claim, but if the writer fails to inject a friendly tone into the letter, he fails to add that extra something that produces good will and good business. A friendly letter makes the claimant feel that he is receiving an individual, personal service.

Mr. Gordon emphasized the value of the form letter, first as a time saver and second, because the form letter can be more carefully and thoughtfully prepared than a hurriedly dictated one and will therefore be a better message. He described a form letter as representing standard phraseology in letter form, carefully chosen to express clearly, concisely and courteously the thought that the claim man wishes to convey. Mr. Gordon suggested that claim men gradually build up a set of standard or form letters usable with slight modifications in answering common claim inquiries. Beginning with one letter, the file may slowly but carefully be built up. Eventually, he said, a file of letters will be available, saving much time in dictation, eliminating the habitual use of stock phrases and unfavorable words, and creating through its constant use a friendly, sympathetic and courteous letter writing attitude that will reflect credit to the accident and health business.

Schedule Basis for O. L. & T. Urged by N. J. Committee

The recommendation that O. L. & T. coverage should be carried on a schedule basis covering all properties occupied, owned or managed by an association as mortgagee in possession, or when a rent assignment is held, has been made by the insurance committee of the New Jersey Building & Loan League. The committee states a public liability policy covers only the association's interest and, as a matter of courtesy, owners should be notified if they are not insured by the liability policy carried by the association.

The committee points out it is important that the policy cover the legal liability of executive officers of the association and the real estate agents or property managers, to protect them in the event that suit is entered against them personally, a number of such cases being on record. Limits of at least \$10,000/\$20,000 are recommended, but higher limits are suggested in view of large verdicts being recorded in connection with negligence cases. Property damage is not considered essential because such claims usually do not involve heavy losses. The committee also points out that if some associations are

Speakers for California State A. & H. Meet Listed

SAN FRANCISCO, Sept. 16.—Fred W. Timby, Preferred Accident, San Francisco, past president of the California State Accident & Health Association, will act as chairman at the opening session of the state association's convention here Saturday. Following the introduction of officers of the San Francisco and Los Angeles clubs, reports from committees will be heard and President G. V. Chandler, who is also secretary of the National Accident & Health Association, will give a report on "National Activities." The meeting will be opened for general discussion prior to the election of officers.

Stephen Chelbay, Commercial Casualty, will open the afternoon session with an address on "Health Insurance." "Legal Aspects of Underwriting" will be discussed by H. W. B. Smith, attorney representing the U. S. Fidelity & Guaranty. W. L. Thomas, Massachusetts Bonding, Los Angeles, will speak on "Essential differences between Commercial and Industrial Accident and Health." A paper on "Medical Reimbursement" will be presented by H. B. Johnson, Aetna Life, secretary-treasurer of the Los Angeles club.

Following the afternoon session, a banquet with suitable entertainment has been planned.

Report on American States

Convention Examination of the Company Shows That Its Affairs Are in Good Shape

The convention examination of the American States of Indianapolis conducted by Indiana, Kentucky and Kansas brings the figures up to June 30, showing assets \$1,946,599 of which \$98,434 is in cash, \$520,187 federal bonds, \$270,506, public utility bonds, \$135,081 industrials, \$350,211 stocks. The premium reserve is \$690,326, claim reserve \$442,745, voluntary reserve \$57,046, capital \$300,000, net surplus \$300,000. The examination covered a three year period. The examiners say in their report:

"A perusal of the claim files, both paid and unpaid, indicates that the company endeavors to adjust its losses promptly in conformity with its policy contract and with fairness to all concerned."

"Reserve and liability losses: \$371,632. This item as computed on a per-case basis was estimated at \$220,139, while a computation of Schedule P as contained in the convention form of annual statement resulted in a reserve of \$371,632."

In conclusion: "Having made a thorough and complete examination of the affairs of the American States, your examiners find the company to be efficiently and capably managed and financially sound. The claim department has followed the practice of carrying liberal reserves on outstanding claims. The company has increased its capital structure during the period covered by this examination and its increase of 'surplus over all liabilities' has been quite satisfactory."

His coworkers in the Michigan Mutual Liability aided Clarence Hatch, vice-president, to celebrate the 22nd anniversary of his connection with the company. He joined the company two years after it was formed at the Michigan Workmen's Compensation Mutual. He started in the home office and in a short time was made manager of the Grand Rapids office. In 1916 he was recalled to the home office to become secretary, later being elected vice-president.

part time tenants in offices occupied by others, they assume a legal liability and that coverage for this exposure should not be overlooked.

De Celles Outraged Over Claim of "Political" Rates

PROPOSED SCALE ATTACKED

Hold Hearing Saturday on Auto Liability Schedule Reduced in Face of Bad Experience

BOSTON, Sept. 16.—The tentative schedule of compulsory automobile liability rates proposed for 1937 by Commissioner De Celles, which will be considered at a public hearing Saturday in the commissioners' rooms in the state building on Nashua street, was characterized in newspaper editorials as being based on political considerations. The schedule represents a reduction estimated at from 7 to 10 percent from 1936 rates or about \$2,000,000 lower premium income for companies. Mr. De Celles flared up at the imputation and denied the charge.

The reduction is in face of an increase in number of fatal accidents and personal injuries due to automobiles in Massachusetts last year, the incidence being higher than at any time in the last five years, with the exception of 1934, when there was an abnormal increase. In that year automobile experience country-wide outside of Massachusetts showed 3 percent improvement.

Massachusetts Experience Bad

The country wide improvement has continued this year to date but, in spite of safety campaigns it has not been reflected in Massachusetts experience, with the exception of two months. For six months fatalities and injuries exceeded the same months in 1935, the total deaths being 453, compared with 460 in 1935, and 23,682 injuries, compared with 25,224 in 1935.

Mr. De Celles was much nettled by the complaints of newspapers. In a talk before the retail trade board of the Boston Chamber of Commerce he said: "The rates for 1937 were published only after my faithful staff had labored long through the summer months without vacations, working night after night, working Saturdays, Sundays and Labor Day in order that the rate structure might be fair and equitable. If the partisan press will keep its editorial columns as free of political prejudice as we have the functions of the department, the public in the long run will get a better idea of what is going on in the state."

"I am willing to stake my reputation as insurance commissioner that it cannot be proven that one single political consideration entered into the rates. Every fact, figure and formula was checked by the companies' bureau. It is perfectly true that I did reject a great many company suggestions that would have skyrocketed the rates. It is not a question of my judgment against the insurance companies, but it is the judgment of the department and its employees, many of whom have been in the service of the states for more than 25 years."

Average premiums for all zones in classifications 2, 3 and 4 of commercial automobiles for heavy, medium and light cars, as proposed for 1937 and as promulgated for 1936, by comparison, are presented below. Seven zones are set up against six for 1936. The figures below are average for all zones in each year:

Class 2	1937	1936
Heavy	\$89.15	\$95.96
Medium	62.05	76.06
Light	54.60	58.48
Class 3		
Heavy	89.15	95.96
Medium	62.05	76.06
Light	54.60	58.48
Class 4		
Heavy	69.77	74.67
Medium	48.57	64.67
Light	43.89	46.70

Even if the accident record had improved markedly—which it did not—casualty underwriters say the rapidly

(CONTINUED ON PAGE 50)

Insurance Needs a New Philosophy

Factions in the Business Have
Varying Concepts of Its
True Function

MANY FAULTS IN SYSTEM

A. Van Court Miller Expounds His View Before Bay State Bank Group Meeting

Speaking before the convention of the Savings Banks Association of Massachusetts in Swampscott, A. Van Court Miller, chief accountant of the New York "Herald Tribune" and vice-president Risk Research Institute, New York, declared that the psychological force behind the movement resulting in the incorporation of the institute was the buyer's conviction that the present insurance system is not all that it should or could be.

He stated the real cause of the system's impairment is the incongruity of the philosophy of insurance. Each faction composing the system—buyers, sellers, underwriters, raters, and supervising officials—he contended, has a different concept of the nature and function of insurance, and also a different idea of their relation to the institution as a whole.

Conception of Buyer

In support of this thesis, Mr. Miller said the buyer's conception of insurance is a sort of Pandora's Box. For example, some buyers candidly refer to it as a necessary evil, a racket, a parasite on business. Others frankly regard it as a simple and inexpensive means of escaping the financial consequence of their own incompetence and negligence. And still others treat insurance as a gambling device, always considering themselves the losers if they fail to get back more each year than the premiums paid. On the other hand, he noted the most intelligent buyers appreciate that insurance is essentially a service, vital to their financial security and future welfare, and esteemed accordingly.

Taking up the producer's conception, Mr. Miller observed that because agents and brokers are essentially salesmen they naturally regard it as a tangible product whose merit should be obvious even if not comprehensible. This realism has influenced their ideas with respect to their place in the insurance system, and in consequence they often put their private interests ahead of the welfare of the system as a whole. One evidence of this, he said, is the fact that producers, anxious to get more business, have overcrowded their own ranks, with the result that the system is suffering more from sales resistance to agents and brokers than from sales resistance to insurance.

Philosophy of Rating

The philosophy of those who make insurance rates is of the Dr. Jekyll and Mr. Hyde variety, Mr. Miller declared. Although they are conscientious believers in the virtues of scientific rating, they will, when expediency demands it, destroy most of the advantages derived from the application of formulas of recognized merit by resorting to equity or other competitive forms of rating. Practices of this kind, even though apparently justifiable on occasion, cannot but help impair the confidence of all groups in the insurance system.

The concept of state supervisory officials is "a middle of the road" affair,

(CONTINUED ON PAGE 55)

Occidental Life Presents a Bid for the Pacific Mutual

TERMS OF THE OFFER SHOWN

Suggests the Formation of a New Company to Write Noncancelable on Adequate Rate Basis

LOS ANGELES, Sept. 16.—Much interest is taken in the bid of the Occidental Life of this city for the Pacific Mutual Life in a letter to Commissioner Carpenter. It offers to reinsure without lien all policy contracts of the Pacific Mutual Life except the non-cancelable disability. President L. M. Giannini of the Occidental states that the Transamerica group is to increase the capital and surplus of the Occidental to an amount equal to capital and surplus of the new Pacific Mutual proposed in Commissioner Carpenter's plan, the non-cancelable policyholders and the stockholders to have the privilege to purchase new stock on some equitable basis.

Some of the Features

The Occidental will give representation on its board to interested groups of the Pacific Mutual. The Occidental is to take over all the legal reserves of value not more than established in the last convention examination or other agreed basis and an appraisal be made. The Occidental agrees to enter into equitable and mutually satisfactory agreement with the Pacific Mutual agents.

Moratorium on loans and cash renders will be immediately terminated.

Treatment of Noncancelable

So far as the non-cancelable business is concerned, the Occidental agrees to pay to the old company, which holds the non-cancelable contracts, until a sum equal to one-half of the net deficiency established for the old company in the last examination in July, is paid. The minimum guaranteed annual payment is \$1,000,000. Payments to be made by the Occidental undertaking, within the limits of this provision, to give necessary assets to the old company to maintain the non-cancelable claim reserves on new claims under \$500, at a level that would at least provide commissioner's proposal and full benefits; other new claims to be provided for according to the commissioner's schedule.

Further Payment to be Made

Thereafter, an agreed percentage of the annual net profits of augmented Occidental, before dividends, to be paid to the old company until the remaining amount of this net deficiency, if any then exists, is paid, taking into consideration the value of stock and dividends on participating contracts, adjusted for fluctuations in net interest earnings on investments and for increase in expense and taxes.

Separate and apart from the Occidental's agreements, the Transamerica group guarantees to stockholders an opportunity within 10 years to sell for not less than \$5 per share Pacific Mutual stock. The Transamerica group is to join with all or any group of Pacific Mutual stockholders in organization of a new company to write non-cancelable policies on an adequate rate basis, furnishing one-half of necessary funds up to \$1,250,000, provided 75 percent of the non-cancelable policyholders consent to accept policies in the new company.

President Kemp Resigns

A. N. Kemp has resigned as president of the old company as has Asa V. Call, vice-president and general counsel. Both will continue in similar positions with the new company. Mr. Kemp explained that holding both offices presented certain technical difficulties. Harry J. Bauer, president of the Southern California Edison Company, was elected president of the old

(CONTINUED ON PAGE 55)

Newspaper Woman Talks at Advertising Conference



MRS. NORA VINCENT PAUL

Mrs. Nora Vincent Paul of New York City, vice-president of THE NATIONAL UNDERWRITER in charge of its eastern business activities, was a speaker this week before the Insurance Advertising Conference at its annual meeting in Rye, N. Y. Mrs. Paul is one of the outstanding business women of the country and has made a reputation in her line that is second to none.

Announce New Schedule of Wine-Makers' Bond Rates

NEW YORK, Sept. 16.—Rates for the new wine-makers' bonds as prescribed by the internal revenue department are the same as those charged under old forms 699 and 700, the Towner Rating Bureau advises. These rates are \$10 per \$1,000 for the first \$50,000; \$5 per \$1,000 for the next \$50,000 and \$4 per \$1,000 in excess of \$100,000. There is no additional charge for endorsing existing bonds under the old forms, through the use of consent form 1533, so as to give the coverage provided by the new form 700-A.

The same rates apply to bonds required by the internal revenue department of manufacturers of vermouth on bonded winery premises. A rate of \$10 per \$1,000 on the penalty of the bond has been fixed for bonds required in connection with the exporting of such vermouth free of tax. A \$10 annual minimum premium is required. There is no charge for use of the sureties' consent on form 1533 for the purpose of extending coverage pending revision of form 186.

Exclusion in O. L. & T. Policy Is Upheld in Massachusetts

Exclusion in the owner's, landlord's and tenant's liability policy of accidents caused by elevators, wells, shafts, hoistways or equipment thereof, was upheld in the case of Deban vs. Continental Casualty, decided by the supreme judicial court of Massachusetts.

In this case, a third party had been injured by a sidewalk elevator on the assured's premises. The company denied liability and the assured paid damages and expenses and sought to compel the Continental Casualty to reimburse him. The assured claimed that men representing the company examined the store and the sidewalks and made measurements of the sidewalks and contended that this should be accepted as evidence that the insurance

Requirements for Grade Crossings

Elimination of This Hazard Imposes Certain Demands on the Contractors

CONFERENCE WAS HELD

Lack of Uniformity Is Seen in the Rules and Regulations of the Various States

NEW YORK, Sept. 16.—Bureau company officials are still giving earnest consideration to the problem of liability insurance requirements imposed on contractors engaged in railway grade crossing elimination projects, much work of which character is in progress or contemplated in various states. As the result of conferences held by Milton Acker, manager of the liability department of the National Bureau of Casualty & Surety Underwriters, with heads of different state highway divisions, he recommends the adoption of a program which contemplates:

"(1) Elimination of indemnity bonds and all hold-harmless agreements; (2) a requirement that contractors provide contractors' public liability and property damage liability insurance with respect to their own operations; (3) a requirement, if deemed necessary, that contractors provide contractors' protective liability and property damage liability insurance as respects subcontracted operations, and (4) a requirement that contractors provide for and in the name of the railroads, protective public liability and property damage liability insurance."

Protective Liability

Protective liability with railroads as named assured affords protection for the liability of the roads only with respect to the direct work of contractors or subcontractors on the projects. Policies definitely exclude liability of the railroads with respect to their own operations. As specific rates for railroads protective liability cover are not given in the liability manual, applications for the coverage must be sent direct to the bureau for rating.

Lack of Uniformity

Mr. Acker further points out that at present there is a decided lack of uniformity in the various states as respects insurance requirements which have been established by highway departments and which must be followed by contractors engaged in grade crossing elimination work. Federal funds are used for the work and the matter in Washington is handled by the U. S. Bureau of Public Roads. It is hoped the bureau will establish definite insurance requirements and that these will be followed by the different states, thereby securing a uniformity of method which would greatly simplify the underwriting problem.

company intended to include elevators. The court held that since no elevator was described in the schedule and no premium was charged or paid for any elevator or hoist, the policy should be construed as written.

Unemployment Act Void

OLYMPIA, WASH., Sept. 15.—The Supreme Court, five to four, held unconstitutional the unemployment relief act.

S. D. Stanson, Inc., 700 Second National Bank building, Akron, O., has been incorporated by S. D. Stanson, J. A. Gadil and H. C. Walker.

CHANGES IN CASUALTY FIELD

Beauchamp Named Manager

Selected by Neal Bassett for Accident & Casualty Berth With Supervision Over Entire Coast

SAN FRANCISCO, Sept. 16.—J. Roger Beauchamp, manager Pacific department Norwich Union Indemnity, has been selected by Neal Bassett to be manager of the Accident & Casualty's San Francisco branch office with general supervision over business on the Pacific Coast.

With appointment of Mr. Beauchamp it is expected that license to operate in California will be issued without further delay. Mr. Bassett has been on the Coast for the past two weeks accompanied by Dr. Paul Thorin, manager of the company's home office in Switzerland.

Judd W. Crocker Associates Will Carry on the Work

Arrangements have been completed for the associates of the late Judd W. Crocker of Omaha to continue the claim department that he and his organization built up. Mr. Crocker died last week. He was a man of great energy and recognized ability. He was 30 years of age and at the high tide of his youth he succeeded in establishing one of the best known claim services in the middle west. It is regarded as a well balanced business organization. He was successful in coordinating the business and bringing into it men who are particularly able to carry it on.

The Crocker organization is operating in Nebraska, through offices located in Omaha, Lincoln, Grand Island and North Platte; in Iowa, Sioux City, Des Moines and Iowa City, and in Cheyenne, Wyo. These offices will continue under the same management as at present. The Judd W. Crocker claim department has given satisfaction to its clients.

W. E. Stumpf Has Resigned

William E. Stumpf, assistant manager Pittsburgh branch United States Fidelity & Guaranty, has resigned. He has been in the western Pennsylvania field since 1926, having had experience in all phases of underwriting and field work. He has been active in association work, being past president of the Pittsburgh Accident & Health Managers Association, vice-president of the Casualty Association of Pittsburgh, director of the Insurance Club of Pittsburgh.

Mr. Stumpf enjoys a wide acquaintance among agents and brokers in western Pennsylvania and Pittsburgh. He has not made known his future plans and will probably take a vacation and announce his new affiliation immediately upon his return.

Heads New Department

PHILADELPHIA, Sept. 16.—The Manufacturers Casualty, which has amended its charter to write burglary and plate glass lines, has appointed John S. Kennedy head of the new department. The company, which has been confining its activities to automobile and compensation, will begin writing the additional coverages Oct. 1. Mr. Kennedy, whose early experience was gained at the home offices of the Fidelity & Deposit and the U. S. F. & G., headed the burglary and plate glass department of the old Independence Indemnity.

Edgar Carr Promoted

Edgar W. Carr, for nine years with the New York office of the Maryland Casualty, has been appointed assistant manager of the liability and compensa-

tion departments of the home office. Mr. Carr joined the Maryland Casualty in 1905 as a junior clerk in the claim division. Two years later he was transferred to the liability department as a clerk, later becoming an underwriter. After a period as supervising underwriter, he was sent to the New York office in 1927.

Opens Portland, Ore., Branch

PORTRLAND, ORE., Sept. 16.—G. M. Fox has been named branch manager here for the Market Service. The Portland office will write truck insurance for both Oregon and Washington. The main office is at Richmond, Va. All coverage will be handled through the Associated Indemnity.

American Indemnity Shifts

J. M. Miller, who is in charge of the Oklahoma field of the American Indemnity of Galveston, has been transferred to Indiana succeeding Joseph P. Day. J. R. Pollard succeeds Mr. Miller in Oklahoma. Mr. Pollard will continue as representative of other companies there. His office is in the First National Bank building in Oklahoma City.

Harry De Bar Resigns

MILWAUKEE, Sept. 16.—Harry T. De Bar has resigned as Wisconsin special agent of the Ocean Accident, a position he has held about two years.

N. M. Potyen is representing the Employers Mutuals in Manitowoc, Wis., and vicinity to service policyholders and further develop business for the companies.

Fidelity-Surety Activities

Bond Rates for Cincinnati Housing Project Announced

The Town Rating Bureau has promulgated rates for bonds in connection with the construction of the Laurel homes in Cincinnati, a project involving 19 buildings and a central heating plant at an estimated cost of between \$5,000,000 to \$6,000,000. Bids will be opened by the Federal Emergency Administration of Public Works in Washington Oct. 2.

Performance bonds of 50 percent of the contract price will be required and payment bonds of 40 and 50 percent, depending upon contract price. Time for completion is set at 365 calendar days. The rate for performance bond, plus payment and maintenance bond given by general contractors, will be \$12 per \$1,000 of the contract price for the term, payable in advance. This premium includes all charges for maintenance as required by general contractors, with sub-contracts for performance and maintenance carrying regular manual rates.

Blanket Bond for N. J. Employees

NEWARK, Sept. 16.—State Finance Commissioner Lamb has announced that there will be a change in the plan of bonding state employees who handle money or hold positions of trust, with adoption of a blanket bond system. The commissioner says the premium may exceed \$1,000,000 but predicted a saving under the new plan.

Department heads have been asked to forward immediately all bonds now in their possession, with a report of the bond requirements in their departments.

The commissioner said his decision to make the change was the result of a survey which disclosed considerable looseness in the methods used for this

type of protection. He said there was no uniformity in the bonds and no central authority was responsible for their adjustment.

Chicago Surety Outing Postponed

The golf outing scheduled for Sept. 15, at which the Surety Underwriters Association of Chicago was to have been host to the Milwaukee Surety Underwriters Association, has been postponed because of inclement weather and will be held Sept. 22 at the Willmette Country Club. It will be an all day affair, with golf and other entertainment on the program, with a banquet in the evening, after which the regular September business session will be held for the purpose of electing a nominating committee. The annual election of officers will take place at the November meeting.

Place Big Kansas City Bond

KANSAS CITY, Sept. 16.—The Thomas McGee & Sons agency has just completed placing the \$1,270,892 construction bond on the completion of the interior of the new city hall building here. The Swenson Construction Company was the successful bidder. The Central Surety is the originating company, with nine co-sureties, including the Continental Casualty, Fidelity & Deposit, Massachusetts Bonding, Hartford Accident, Royal Indemnity,

Standard Accident, Standard Surety & Casualty, U. S. F. & G. and Maryland Casualty.

Fidelity Sales Conferences

NEW YORK, Sept. 16.—As rearranged, the sales conferences planned by the New York City Fidelity Bond Production Committee, will be held in turn, Sept. 30, Oct. 15 and 30th and Nov. 19; the gathering place to be the great hall of the Chamber of Commerce. As previously stated, the purpose of the meetings is to more fully acquaint brokers with the value of fidelity bonds, both as to clients and themselves. Twenty-nine surety writing companies are participating in the movement.

State Action Necessary

ST. LOUIS, Sept. 16.—The United States circuit court of appeals has affirmed a district court decision which sustained a demurrer of the Fidelity & Deposit to the suit of Oscar H. Hentschel, liquidating trustee for the Western States Life, to recover on a fidelity bond executed by the Fidelity & Deposit to cover any loss to the life company caused by larceny of an employe. The district court in sustaining the demurrer said such a suit could be maintained only by the state superintendent of insurance. The company, which had home offices in Clayton, Mo., was dissolved in February, 1930, and its business reinsured by the American Savings Life.

CASUALTY PERSONALS

C. A. Gustafson, office manager of the Standard Accident's Indianapolis branch, was married to Miss Virginia Cooper, daughter of Dr. and Mrs. Ross A. Cooper of Carmel, Ind., in Indianapolis. Both are graduates of the University of Michigan.

H. T. Stock of the A. J. Stock Agency of Detroit has prepared a pamphlet, "Choosing Your Automobile Insurance Company." He is chairman of the committee of publicity and education of the Detroit Association of Insurance Agents and a member of the committee of publicity and education of the National association. This pamphlet takes up the matter of reserves, surplus, investments, special conditions, type of management, insurance contracts, liability of mutual policyholders, liability of reciprocal or inter-insurance policyholders, continent-wide claim service, financial responsibility laws and agency service. Mr. Stock is selling these pamphlets to the insurance companies.

P. W. A. Fitzsimmons, president of the Michigan Mutual Liability, antiquarian and collector, acquired the house in which U. S. Grant and his bride lived in Detroit in 1849, removed it to the state fair grounds, restored it to its original condition, furnished it with furniture of the 1849 period and on the opening day of the state fair last week presented it to the state in a dedicatory ceremony. The house has been surrounded by a lawn and a white picket fence and will be open to the public as an historical shrine.

R. G. Waters, casualty commissioner of Texas, was a New York City visitor the past week, calling on the management of the National Bureau of Casualty & Surety Underwriters and other associations.

H. E. McClellan, who is retiring as Pacific Coast vice-president of the Maryland Casualty, was guest of honor at a dinner given by members of the San Francisco branch office. Manager Sam L. Webster served as toastmaster.

F. H. Strickland, assistant treasurer of the New Amsterdam Casualty, and Mrs. Strickland, announce the mar-

riage of their daughter, Mildred, to Sydney H. Thornton in Baltimore Sept. 10. Mr. and Mrs. Thornton will be at home after Nov. 1 at 2 Park Circle, Towson Estates, Md.

John Pabst, manager of the Fireman's Fund Indemnity office at Chicago, is on a trip in the east conferring with officials.

Albert T. Sauer, claim manager, General Accident, St. Louis, has been elected judge advocate of the American Legion in Missouri, the second ranking office of the Legion in the state.

J. Y. Player former city comptroller of St. Louis, and secretary of the board of election commissioners, died of a heart ailment on the eve of his 85th birthday. In 1910 and 1911 he served as president of the old Mid-Continent Casualty.

Albert W. Meyer, manager of the re-insurance record division American Surety at its head office, celebrated his 35th anniversary with the company Sept. 10. He was the guest of honor at a luncheon. President Lafrentz personally conducted him into the room and made a brief talk reviewing Mr. Meyer's career.

Kenneth H. Wheelock, who takes charge of the new Pacific Northwest department of the Employers Liability with offices in the Hoge building, Seattle, began his insurance career as field assistant of the Travelers and later went with the Continental Casualty as special agent. Since 1931, when he joined the staff of the employers group, Mr. Wheelock has been with the New England department as special agent.

R. C. Schetter, field assistant of the Indianapolis branch of the Travelers, is receiving congratulations on the arrival in his home of a baby boy.

John S. Lord, senior member of Lord, Lloyd & Bissell, Chicago insurance law firm, and attorney-at-law for London Lloyds, this week was attending the reunion of his class in the Harvard Law School.

J. G. McCormick, Cedarville, O., has taken his son, Pierre J., into business with him.

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Many successful producers use Accident Insurance as this "opener". It is the most personal form of protection, and therefore of greatest interest to nearly every prospect.

AETNA-IZERS can meet practically every accident insurance requirement, providing a "custom-made" policy to fit the individual needs and wishes of each client.

Furthermore, there are numerous sales helps available to pave the way for the first call and to assist visually in making the sale.

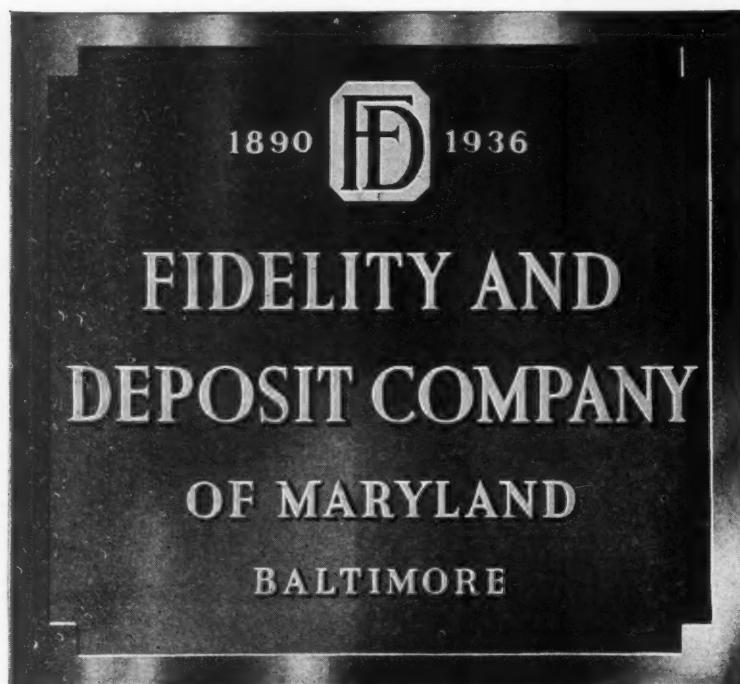
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Productive Underwriting

The insurance editor of a leading trade paper, in a recent article entitled "Making a Company Useful to Agents," described two types of underwriters: (1) those who follow the beaten path and avoid going to the bother of carefully analyzing the underwriting possibilities of new or unusual propositions; (2) those who will consider any proposition, go to the bottom of it and endeavor to find some means of underwriting it.

Definitely in the latter class are the members of the F&D's underwriting staff, both in the home office and in the field. F&D underwriters do not hesitate to tackle new or unusual propositions, in fact they welcome opportunities to demonstrate their resourcefulness and ingenuity.

Cooperation of this character not only builds good-will for F&D agents, but frequently enables them to pocket commissions on premiums that under other circumstances would not have existed.

Exclusively
FIDELITY AND SURETY BONDS
BURGLARY, FORGERY AND
PLATE GLASS INSURANCE

De Celles Outraged Over Claim of "Political" Rates

(CONTINUED FROM PAGE 46)

mounting claim adjustment cost forced on companies by extensive legal and medical frauds have made the compulsory act unsavory throughout the nation. Originally intended as protection for pedestrians from careless and irresponsible motor car operators, the operation of the law developed largely into a money-grabbing racket for occupants of cars involved in collisions. An actual pedestrian claim has come to be looked upon as a novelty in insurance offices, whereas the slightest bump between two cars invariably means one or more claims for "shock" or imaginary injuries, backed by questionable medical affidavits and legal action. As a result, companies have been compelled to make exhaustive and expensive investigation of every claim filed.

It is said Commissioner De Celles recently plainly intimated he felt the automobile rates for 1937 should be increased. A previous commissioner refused to do the governor's bidding and resigned rather than reduce rates in face of contrary experience.

Governor Bested in Past

The governor came out a poor second recently in a tilt with fire companies when he demanded reduced fire rates. Some insurance men see in the automobile liability schedule an attempt to secure political effect in the forthcoming campaign at the expense of casualty companies.

Based on actual experience and conduct of the business, the companies urged on the commissioner before the new schedule was prepared, rates should be increased an average of about \$5 for a score of cities, running from \$1.65 for Pittsfield to as high as \$9.60 for Woburn. An increase of \$7.85 was asked for Plymouth county towns and \$1.65 for the Cape, Franklin county and Berkshire county towns. Instead, the commissioner announced decreases of from \$1 to \$8 in every city and town.

The advisory council of seven leading casualty executives has been considering the situation. The law provides a means of redress through appeal to the supreme court, but politics and other matters enter into the problem and call for serious consideration. The companies will make their appearance at the formal hearing held Saturday.

May Consider Reserves

Most interest centers in how the commissioner will defend his schedule. It appears he may depend upon analysis of claim reserves and maintain these are now over estimated and companies should cut reserves and reduce rates accordingly. This surmise is borne out by the frequent appearance of score or more of the young department men at home offices of casualty companies the past few months, looking into automobile claim records.

Many strong, sound companies hold that even 60 percent average reserve to net premiums written in any year is none too great for this hazardous line, although some companies operate as low as 45 percent. The commissioner is believed to incline toward the latter figure being adequate.

Sent to Penitentiary

NEW YORK, Sept. 16.—Convicted of corruptly accepting a gratuity in settlement of an indemnity claim, F. C. Steup, secretary of the Yorkshire Indemnity, and C. W. McNally, an attorney employed from time to time by the company on a case basis, were sentenced to an indeterminate term up to three years in the New York State penitentiary. While two of the three special sessions justices hearing the case favored conviction the third held for acquittal.

Nashville Meeting's Program

Annual Convention of the Industrial Insurers Conference Will Be Held Next Week

Complete program for the Industrial Insurers Conference to be held at the Hermitage Hotel in Nashville, Sept. 21-23 is now announced.

On the first morning, G. C. Woods, president Nashville Underwriters Association, will give the welcome and response will be made by A. B. Langley, president Carolina Life. Peyton W. Jones, president Bankers Health & Life of Macon, Ga., is president of the conference and will give his report. Insurance Commissioner J. S. Tobin of Tennessee will give a talk. An important address will be given by Harry V. Wade, assistant to the president of the United Mutual Life of Indianapolis, and chairman of the Financial Section of the American Life Convention, on "Investments of Life Insurance Companies." Douglas Henry, National Life & Accident, and C. H. Hutton of the Life & Casualty of Nashville, will discuss papers.

In the afternoon there will be a round table discussion of legal subjects.

Tuesday's Program

On the morning of Sept. 22, W. H. McBride, actuary National Life & Accident, will give a paper on "Should Industrial Life Companies Charge Extra Premiums for Double Indemnity?" This will be discussed by E. T. Burr of the Durham Life and J. R. Leal of the Interstate Life & Accident of Chattanooga. Frank P. Samford, president Liberty National Life of Birmingham, will talk on "Burial Associations," the discussion being made by L. K. Arrington, executive vice-president Standard Life, and C. E. Starnes, vice-president Imperial Life. Dr. C. L. Ridley, medical examiner, Bankers Health & Accident, will talk on "Industrial Underwriting." C. M. Heron, vice-president Life & Casualty, will speak on "Claims and Risks in the South," the discussants being T. B. Martin, president First National, and J. W. Scherr, president Inter-Ocean Casualty.

There will be another round table discussion on legal subjects in the afternoon.

The last session will be held Wednesday when Prof. Gus W. Dyer of Vanderbilt University will speak on the "Economic Outlook." Col. S. L. Lowry, chairman of the board Gulf Life, will discuss the paper. Dr. George H. White, Tennessee health department, will present a paper on "Morbidity and Mortality."

Celebrate 25th Anniversary

Some 275 representatives of the Royal Indemnity and Eagle Indemnity are expected to attend the agency convention at Atlantic City Sept. 21-23, commemorating the 25th anniversary of the former company. The Globe Indemnity will celebrate its 25th anniversary with an agency convention at the Westchester Country Club, Rye, N. Y., Sept. 23-25. Programs befitting the events have been arranged for both gatherings.

Cincinnati Adjusters Meet

An informal meeting marked the first fall session of the Cincinnati Casualty Adjusters Association, which now has 28 members and two memberships pending. L. E. Carney, Hartford Accident, is president; John Moesta, U. S. F. & G., vice-president, and H. H. Heinemann, Aetna Casualty, secretary-treasurer. The association will meet the second Friday monthly and the fourth Friday monthly for luncheon.

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It is our wish that every insurance agent and broker, every employee connected with any insurance office, who feels that he or she would be interested in owning a copy of this facsimile of the first liability policy written in the United States, should receive a copy. Hundreds have already written in, requesting a copy. Dozens have asked for additional copies.

Perhaps you would find it more interesting than you at present believe. To get your copy please write to the following address or if you prefer, telephone or write to the nearest Branch Office and they will take care of your request.

May we remind you that the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Ltd., is one of The Employers' Group companies. The others in the group are The Employers' Fire Insurance Company and the American Employers' Insurance Company and together these three write practically every kind of insurance except life, including fidelity and surety bonds. If you are interested in establishing an agency connection, write to the same address, attention of the Agency and Production Department.



THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON



WORKMEN'S COMPENSATION

Hotel Men Win Their Point

Michigan Board Allows Reduction in Cost of Employees' Meals for Compensation Rating

DETROIT, Sept. 16.—The compensation writing companies operating in Michigan appear to have lost their battle with the insurance committee of the Michigan Hotel Association in reference to the cost of employees' meals and lodging as set up for compensation rating purposes. The hotel men have for months been endeavoring to force the companies to reduce their compensation premiums by cutting down the arbitrary allowance made for meals and lodging below the present figure of 33 cents per meal allowed by the state board in its decisions.

The compensation interests have contended that this figure is low as it stands, as a basis on which to compute this phase of the rates, and have consistently refused to accede to the hotel

men's demands. The hotel committee, carrying the fight to the state board, obtained a ruling recently that if the employes agree that the value of meals and lodging are less than the state board has been allowing, then the insurance companies must recognize the reduced figure. M. V. MacKinnon, manager of the Wardell, heads the hotel insurance committee.

Mr. MacKinnon and his associates have prepared a personal record card for the use of member hotels that contains in its employment agreement this stipulation: "I further agree that any and all meals furnished me are valued by me at 20 cents a meal and lodging at \$2 a week."

At a meeting of the Detroit Hotel Association, an auxiliary of the state organization, Mr. MacKinnon urged all hotel men to obtain these cards from the association office and have them signed by the entire personnel to whom compensation coverage applies. He asserted that he has already done so in his own hotel and forced the company carrying his risk to reduce his

premium materially. He will repeat his plea at the state hotel convention in Grand Rapids in October.

Interest Shown in Safety Net

Device Used to Minimize the Number of Accidents in Golden Gate Bridge Construction

SAN FRANCISCO, Sept. 16.—Compensation writing companies are interested in the so-called safety net, 120 feet and six inches in width and which will extend approximately 6,400 feet across the Golden Gate bridge in San Francisco Bay, now under construction, to catch any workmen that may fall and save them from death on the rocks about 250 feet below. So far there have been no fatalities. Tests have been made as to the efficacy of these nets. The net is made in two parts, a traveling section and a permanent one. The traveling section is directly under the point at which the permanent net erection is being done and will extend 12 feet beyond the farthestmost member of the permanent net being erected. A six inch by six inch mesh permits white hot rivets to pass through in falling from

the riveted work about but it will catch any workman who may fall. The net is fire-proof. The bridge is 90 feet wide and the net is 120 feet, six inches in width.

London Lloyds in Oregon

The Oregon State Agents Association recently adopted a resolution denouncing the operations of London Lloyds in the state. Apparently London Lloyds has been writing some workmen's compensation business in the state. The Booth-Kelly Lumber Company of Eugene, Eastern & Western Lumber Co. and the Hawley Pulp & Paper Co. are reported to have Lloyds contracts.

London Lloyds is not paying a tax in Oregon and Commissioner Earle of that state declares that he will attempt to collect such a tax from Lloyds. He has solicited the cooperation of local agents.

Western Safety Conference

SALT LAKE CITY, Sept. 16.—R. C. Barr, San Francisco, director of safety Lumbermen's Mutual Casualty, will talk on "Rounding the Curves" before the Western Safety Conference here Sept. 21-24. B. G. Wills, vice-president Fireman's Fund Indemnity, San Francisco, will respond to the official address of welcome to be given by Mayor Erwin.

Officially launched in California last year, when Mr. Wills was appointed general chairman of the conference by Governor Merriam, the first meeting in San Francisco was devoted to a discussion of all types of accident prevention. These discussions will continue this year at the Salt Lake City meeting, with delegates from all of the western states in attendance.

Look for Fewer Accidents

NEW YORK, Sept. 16.—Under the rigorous provisions of the new automobile law of this state, which became effective Sept. 1, confidence is felt that there will be a reduced number of road accidents. The law deals severely with violators, and especially with drunken drivers. Already more than 40 motorists face loss of their licenses, but what is deemed of greater concern is the influence knowledge of the fact will have on other drivers inclined to recklessness. The new system, moreover, makes for the speedy trial of accused persons, and insures the more prompt reporting of convictions to the motor vehicle commissioner.

Oklahoma Compensation Course

OKLAHOMA CITY, Sept. 16.—Manager F. F. Lafon of the Oklahoma compensation rating bureau has inaugurated a school for insurance agency employes to be held three times weekly, to study classifications and to review the manual rules on rating procedure, etc.

Compensation Probe in N. J.

NEWARK, Sept. 16.—At the opening of the fall term of the supreme court here Justice Parker charged the grand jury on the abuses of the workmen's compensation law, as reported by Labor Commissioner Toohey. The commissioner's investigation revealed that more than 150 employers in Essex county are not complying with the compensation law in omitting to carry compensation coverage for their employes. The same condition exists in other parts of the state, it was stated, and the commissioner is expected to carry the matter to grand juries in other counties.

New Kentucky Referees

H. B. Holland of Benton, and E. E. Hollyfield of Middlesboro have been appointed as referees for the Kentucky workmen's compensation board.

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UNAFFECTED by
REINSURANCE, MERGERS,
CONSOLIDATIONS
or POLITICAL INFLUENCE
OF any KIND

established 1897

Continental
CASUALTY COMPANY
CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL ASSURANCE COMPANY

A MAN IS JUDGED BY THE COMPANY HE KEEPS

\$148,000,000

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The ability to pay promptly is the first requisite of a good insurance company. It reflects financial strength . . . dependability . . . indicates able management and points to a

company for good agents. Such a company warrants the trust of its representatives and the faith of its policyholders.

In the Standard of Detroit, both agents and clients have full confidence in the integrity—strength—service and management of this national organization which in 52 years has paid out over \$148,000,000 in claims—thus saving money and incalculable worry for assureds who were involved in accidents resulting in loss of property—injuries or death. It proudly credits its 8300 representatives with perpetuating "the service that satisfies".

A COMPANY FOR GOOD AGENTS

STANDARD ACCIDENT INSURANCE COMPANY
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A Check List For Insurance Agents

★

How Do You Know Your Company Is "Right"?

An insurance agent is judged by the company he keeps . . . The agent who represents a good company finds his reception more friendly . . . His sales are easier . . . His volume is greater . . .

In an effort to aid you in the selection of the proper Casualty insurance and Bonding company to represent—Standard of Detroit has instituted a series of informative and guiding advertisements—of which this is one . . .

Check the list below of what Standard agents obtain from their association with us . . . Compare this list against your present connections . . .

If—after checking the list—you find that you would better serve—and be better served—as a Standard agent—write us. We shall be glad to hear from you.

CHECK LIST

- Financial Security
- National Facilities
- Coast to Coast Service
- Multiple Line Company
- Underwriting Service in Strategic Locations
- Claim Service in Strategic Locations
- Field Service for agents
- Unusual Advertising Material
- Selling Helps
- Payroll Auditors
- Inspectors
- Safety Engineers
- Age—Experience—Reputation

ACCIDENT AND HEALTH FIELD

Continental Casualty School

Accident and Health Department of Chicago Branch Will Conduct Sessions Sept. 30-Oct. 2

A large attendance is expected at the sales school to be conducted Sept. 30-Oct. 2 by the accident and health department of the Chicago branch of the Continental Casualty. Primarily for its agents and brokers in the Chicago territory, an innovation this year will be the invitation to agents and brokers of other companies to attend. With more than 150 in attendance last year, the school has grown in popularity. Sessions will be held on the seventh floor of the Insurance Exchange, between 12:30 p. m. and 2 p. m.

Speakers the first day will include Norman Hoag and Harry Glasgow, vice-presidents Continental Casualty; W. E. White, superintendent of agents, commercial accident and health department, and A. D. Anderson, manager accident and health department Chicago branch. They will discuss such subjects as accident and health insurance in multiple line agencies, possibilities in selling accident and health insurance and the modern trend in merchandising this line. Accident contracts and medical reimbursement forms will also be discussed.

The second day Armand Sommer, assistant to vice-president, will discuss "How Cooperative Underwriting Can Assist Producers"; A. B. Hvale, assistant secretary at the home office, "How Intelligent Claim Service Can Increase Sales"; and Mr. Anderson, the grow-

ing importance of health insurance, with an explanation of illness contracts and the new medical reimbursement form.

Mr. White will also speak at the final session and answer questions from the floor. There will be sales demonstrations on the accident and medical reimbursement forms and illness combinations. Mr. Anderson will close the school with a talk on the application of these sales methods.

Redfield-McGurk Agency Is Observing 5th Anniversary

The Redfield-McGurk Agency of the Mutual Benefit Health & Accident and United Benefit Life, headed by C. Truman Redfield in Chicago and John S. McGurk in Indianapolis, is celebrating its fifth anniversary. The two members of the firm took charge in Chicago in September, 1931, without any previous acquaintance in that city, and have built up its premium receipts from about \$154,000 at that time to nearly \$750,000 today. When the agency was formed it covered the Chicago metropolitan area and the Calumet district in Indiana. In 1933 it was given the management of the entire state of Indiana and Mr. McGurk moved to Indianapolis to take direct charge of that territory.

In celebration of the anniversary, an Indiana vs. Chicago contest is being conducted in September, to conclude with a jubilee dinner in Indianapolis, Sept. 26, when the new state offices there will be officially dedicated. Mr. McGurk started off this campaign with three special rallies, Sept. 9 at Evansville for southern Indiana, Sept. 10 at Indianapolis for

central Indiana and Sept. 11 at South Bend for the northern part of the state.

Mr. Redfield has just sent out to 6,500 brokers in Chicago an extremely simplified rate book and manual covering the accident and health policies issued by the United Benefit Life, which pays renewal commissions. The classification manual is cut down to 17 pages by eliminating all occupations which are not likely to be met with in a city such as Chicago, while the coverage of the various policies and the classes on which they can be written are presented in such simple and graphic form that they can be grasped very readily by any one who is not familiar with the accident and health business.

Both of the partners in the agency firm have demonstrated their capacity for leadership, not only in building the agency to its present proportions but in various civic and organization activities.

Johnson Heads Departments

N. H. Johnson has become associated with Falconer, Dunbar & Picton, Cleveland, heading the disability and life departments. He has been with the Aetna Life since 1922 and has had extensive training in the life and disability fields, specializing in inheritance tax problems and business life insurance. He is a graduate of the University School of Cleveland and University of Michigan.

Reopen Oakland Office

OAKLAND, CAL., Sept. 16.—Formal reopening of the United Benefit Life and Mutual Benefit Health & Accident agency here is being attended by home office officials.

The agency is now being handled by C. L. Gurney, formerly of the home office, and will embrace all of northern California.

Meanwhile, the suit brought against the companies by Pearl Jarvis, widow

of the general agent who formerly managed the Oakland office, in which she charged alleged breach of contract, is to be transferred to federal court and will be placed on the docket there Sept. 22.

Ellis Leaves Monarch

Davis W. Ellis, Illinois manager of the Monarch Life with Chicago headquarters, has resigned effective Oct. 15 to take another position. Mr. Ellis, who is secretary of the Chicago Accident & Health Club, has been active in association affairs, having made a speaking tour during National Accident and Health Week. He conducted a general agency at Marion, Ind., for eight years before joining the Fidelity Investment Association, first as Chicago manager for six years and then as New York manager for two years. In 1935 he joined the Monarch.

Chicago Club Outing Planned

Due to the fact that several agency conventions are being held this month, the regular luncheon meeting of the Chicago Accident & Health Association, scheduled for Sept. 15, has been postponed until Sept. 29, when it will be combined with the annual field day of the organization, to be held at the Southmoor Country Club. Entertainment will include golf during the day and dinner in the evening.

Black Cat Sales Kit

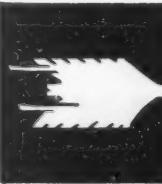
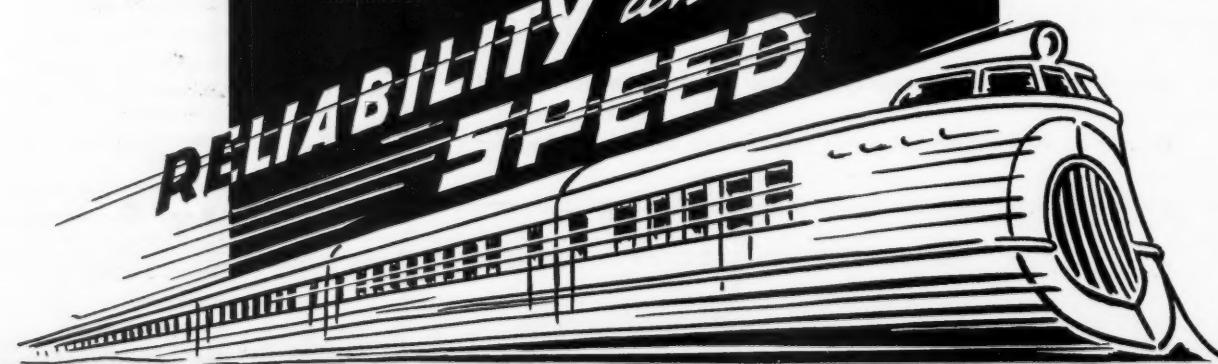
The Accident & Health Review has prepared a Hoodoo Day sales material kit, showing samples of special black cat display card, black cat postal card and the Hoodoo News. The kit is spiral bound and costs 20 cents. Friday, Nov. 13, will be the official Hoodoo Day for 1936. Agents selling 13 accident applications on that day will qualify for the Black Cat Club which now

Reliability goes hand-in-hand with speed in the American Glass organization. Of course, you're always assured of speedy plate glass replacements here.

Speed alone, however, does not make for complete satisfaction. But combine it with the reliability and dependability which backs every American plate glass replacement job and it's a combination hard-to-beat.

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RELIABILITY and SPEED



Mohawk 1100 AMERICAN GLASS CO.
1030-42 N. BRANCH ST. CHICAGO.



has over 300 members. The Hoodoo Day drive offers agents a special opportunity to cash in on the superstitions of their fellow men and is considered a sales natural by managers and agents who have entered these drives in the past. Those wishing Hoodoo Day sales kits can secure them from the Accident & Health Review, A-1946 Insurance Exchange, Chicago.

Plan Educational Meets

PHILADELPHIA, Sept. 16.—The educational committee of the Accident & Health Club of Philadelphia at a luncheon meeting mapped out preliminary plans for the club's activities for the coming season, which will get under way Oct. 1. The club's winter luncheon meetings will be in the form of educational meetings. Six weeks prior to Accident & Health Week, the club plans to run a lecture course of six educational sessions one night each week.

A special field day also is being planned for sometime in October.

Accident Committee to Meet

The governing committee of the Bureau of Personal Accident & Health Underwriters will meet in New York City, Sept. 24. Some time next month there will be a full gathering at which the status of the effort to create a pooling arrangement for taking care of the life indemnity feature of health and accident contracts will be set forth by J. F. Lydon of the Ocean Accident, chairman of the special committee that has been handling the problem for a long time past.

Opens New Industrial Office

Sam Marcus is opening an office in the Exchange building, Kansas City, to handle the industrial accident and health business of the Illinois Bankers Life. F. L. Hildebrand is general agent of life and commercial accident and health departments.

Dissolve United Industrial Shares

United Industrial Shares, the holding company connected with the United of Chicago, is being dissolved. Stockholders are being offered stock in United for stock in United Industrial Shares. In the transfer the United stock is being given a value of \$40 per share and about one share of United is being given for every three shares of United Industrial Shares.

Accident Notes

W. E. Lebby, Los Angeles, manager Massachusetts Indemnity, has moved to larger quarters at 530 West Sixth street.

The Occidental Life of Los Angeles has been licensed in Michigan for life, health and accident.

Occidental Life Presents Bid for the Pacific Mutual

(CONTINUED FROM PAGE 47)

Pacific Mutual. E. O. Overton of the law firm of Overton, Lyman & Plumb in Los Angeles succeeds Mr. Call in the old company.

In the examination made of the Pacific Mutual by the California, Louisiana, Ohio, Texas, Virginia and Washington departments, the actual deficit in the accident department was \$23,025,421. The surplus in the life department was \$5,461,096, which left a net deficit with the company as a whole, \$17,564,375. The examiners in their report made this comment: "Considerable money was lost through a stock syndicate for employees and the making of loans to companies or concerns in which certain of the officials were interested." These matters should be investigated."

President Giannini Comments

President Giannini, in commenting on the offer to purchase of the Pacific Mutual as it relates to non-cancellable contracts, said that the cost to his company in payment on that department

would approximate \$3,000,000 immediately and \$1,000,000 a year. He said that under the offer where the rehabilitation plan of the conservator gave non-can policyholders 20 percent dividend, the policyholder would receive 60 percent. Where it was 40 percent his offer would make it 70 percent, and similar ratios prevail throughout.

In regard to the stockholders guarantee to sell, it would not apply to those who purchased stock after July 22.

In regard to the status of the new Pacific Mutual, President Giannini stated that he looked upon it as nonexistent from a legal standpoint and he questioned whether it could really write any business legally. He declared that the Occidental was entering the picture not so much with a view to profit but because of a desire to maintain the integrity and stability of life insurance

Insurance Needs a New Philosophy

(CONTINUED FROM PAGE 47)

Mr. Miller said. Although they acknowledge the preeminence of their obligation to safeguard interests of the buyers, they feel too great a sense of responsibility for the welfare of other

Company	Capital	Assets	Surplus	First 6 Months	
				Income	Disbursements
Inter-Ocean Cas.	\$ 100,000	\$ 455,672	\$ 108,450	\$ 645,811	\$ 636,393
Preferred Accident ...	875,000	8,354,932	2,291,887	2,642,594	2,605,691
Natl. Acc. & Health, Pa.:	150,000	428,404	175,612	334,770	314,372

members of the insurance system. Moreover, as long as things seem to be running smoothly, albeit inefficiently, they see no reason to agitate for change. Whether they are right or wrong is beside the point, Mr. Miller said; the important thing is their state of mind is such that we cannot expect them to volunteer to do the things that need be done.

Mr. Miller emphasized that his remarks were made solely for the purpose of demonstrating his thesis that the system is suffering primarily from the disordered state of mind of its members. "Whether or not Risk Research Institute can digest the medley of concepts which I have described, and extract therefrom a sound and serviceable philosophy of insurance, I do not know," he said, "but I am certain that we will never be able to perfect our insurance system until such a philosophy has been evolved, and is adopted by all."

Ray Evans, secretary-treasurer Citizens Underwriters Agency, Bluefield, W. Va., and past president Bluefield Automobile Club, was selected as West Virginia's safest automobile driver to participate in the first national safety driver "motorcade" held recently in New York, sponsored by the American Automobile Association, affiliated motor clubs and C. I. T. Safety Foundation. Mr. Evans has been secretary-treasurer of the Bluefield agency for more than 25 years, representing the Fidelity-Phenix Fire, and other well known fire and casualty companies.

W. B. Clint, 62, local agent of Brownsville, Tex., died of a heart attack. He had been an outstanding business and civic leader in Brownsville for 25 years. The **W. H. Crouch & Son** agency, San Antonio, Tex., has been sold to the T. C. Baker Company and has been merged with that agency.

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enjoy with this Company's executives promotes
efficiency in present-day underwriting.**

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A perfect understanding of the agent's problems and the ability to do something about it, tied up with an intelligently directed Special Risk Public Liability Department, constitutes a new standard by which this organization and its agents are reaping a rich harvest in new business.

If you are hankering for larger earnings, right now is a pretty good time to get in touch with us. We are Public Liability Specialists.

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WRITE TODAY

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General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, Managing Director
JAMES F. MITCHELL, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA



Collins Puts on His Regimentals

(CONTINUED FROM PAGE 4)

State Auditor E. J. Barrett, both being prominent in the American Legion. Mr. Collins became acquainted with the manner in which receivership bonds, fidelity and other bonds of failed banks were handled from the day of the closing of banks in Chicago and Cook County and he concluded that there was great waste in the way the insurance division in the state auditor's office was being conducted. He, therefore, states that he made a careful analysis of the records for charges made for bonds and insurance. Oscar Nelson was state auditor under the Emmerson administration when the banks started to close.

Consolidation Brought About

State Auditor Barrett called for a consolidation of activities in the appointment of a general receiver operating from a central office. Mr. Collins declares that when he went over the bonds for the official receiver he discovered that there were too high charges made. He secured from a reputable bonding company a flat rate of \$50 per bank. The receiver's bond premium on some banks ran above \$1,000, for example, the Chicago Bank of Commerce, \$1,500; Builders & Merchants Bank & Trust Co., \$1,250; Humboldt State, \$1,250; Lincoln Trust & Savings, \$1,250; Noel State, \$1,250; Northwestern Trust & Savings, \$1,250; Phillip State Bank & Trust Co., \$1,000; Reliance Bank & Trust, \$1,250; Second Northwestern State, \$1,250; Sheridan Trust & Savings, \$1,250; Midland Trust & Savings, \$1,250; West Town State, \$1,250; Central Manufacturing District, \$1,500; Lakeview State, \$1,250; North Avenue State, \$1,000; Roseland State Saving, \$1,250; Des Plaines State, \$1,000. Mr. Collins charged \$50 for every bank regardless of size.

New Program Made Up

Mr. Collins concluded that these charges were entirely out of line and therefore made up an insurance program for State Auditor Barrett showing him that he could effect a savings in the receivership bonds alone amounting to \$56,112.71. On fidelity and other bonds in connection with these closed banks there would be a saving of \$105,735.21 or a net annual saving on all bonds of \$161,847.92.

Mr. Collins also declares that when he brought to Mr. Barrett's attention this condition, he stated that in his opinion an expose would be made which would reflect very sharply on his office and the state administration. At that time an agency in Chicago and one in Springfield had all these bonds, the Chicago office having those in Cook County and the other those in the state.

Analyzed Other Insurance

Mr. Collins then declared that he analyzed the collateral insurance costs in connection with these closed banks and took up workmen's compensation, he showing where savings of \$5,872 could be effected. Under the individual receivership the minimum premium for a compensation policy was \$26. Under the consolidated receivership the minimum premium was \$10.

Next, Mr. Collins states he made a survey of fire insurance written under prior receivers and he declares he found discrepancies in both premium costs and preparation of policies. Savings as high as 50 percent, he contends, were effected as a result of appraisals. Therefore, a substantial saving was made in fire insurance accounts.

Other insurance such as power plants, dram shop and public liability insurance was placed in blanket form which resulted in Mr. Collins effecting an economy in each branch of insurance.

Agent Collins emphatically states that the reason he got this order, first, was because he was able to make a business-like showing to the state auditor, pointing out that large economies could be effected. Next, he convinced the state

auditor that he was not justified in continuing insurance on the plan that had been followed and that if he did it might reflect very seriously on him, and then being a close friend of Auditor Barrett he had his confidence.

Agent Collins resents especially the implication that in securing the receivership bonds of the Chicago Title & Trust Co. and the collateral insurance that goes with such property there was any political influence used at all. He states that this was purely a private deal. He used the work he had done in connection with the state auditor's office to convince the officials of the Chicago Title & Trust Co. that they should follow a similar plan. He had a close personal acquaintance with three or four of those officials.

Insurance System Revamped

He went over their insurance division and states that he found it in a confused state. Business was given out to a number of brokers and agencies. He, therefore, suggested the revamping of its system, resulting in much lower overhead cost and reductions all along the line. Any other insurance man, he said, could have secured the business had he been alert and offered a similar program. Mr. Collins declared that he did not intend to disturb any broker who would cooperate with the new program, the business remaining just as it had been. However, he agreed to supervise the entire insurance scheme.

Offered a New Setup

Mr. Collins states that he took up compensation, fire insurance, public liability, etc. in connection with the receivership properties of the Chicago Title & Trust and found that many economies could be effected there. A number of properties, he states, were over valued. The result of his program, he declares, has been a great boon for the Chicago Title & Trust Co., reducing the insurance cost through consolidation and revamping. He said that the reason he secured the insurance was solely due to the fact that he offered a program that was business-like, intelligent and saved the Chicago Title & Trust Co. not only money but much confusion in handling its insurance work.

Offers to Prove This Position

Mr. Collins, in his interview, offered to show the records to anyone who is interested to convince him that he has done nothing that is out of line or irregular. He finds much amusement in the complexion of the leaders in the so-called Brooks' Republican insurance committee, because many of them he said have been great beneficiaries of political insurance patronage in the past. They have not hesitated to align themselves politically with officials and secure business through the political route. This is particularly true, he declares, with its leaders.

Mr. Collins is very much interested to know why, as a Republican, he would be granted the receivership bank business from a Democratic state auditor. He declares that he intends to fight from now on if he is still regarded as a horrible example of the political system.

Mr. Collins states that he has no connection whatever with the "Democratic Insurance Committee" in which Joseph L. Gill, treasurer of Cook County and Horan & O'Brien are particularly interested.

Avoid Radio Slander Cover

DETROIT, Sept. 2.—The Great Lakes Casualty and other companies writing liability in Michigan have been approached several times for quotations on radio broadcasting station slander liability coverage, but none of the companies seems interested in writing this line.

Claim Men Gather at Seigniory Club

(CONTINUED FROM PAGE 45)

stitution wherein is set forth the object and purpose of our association."

As chairman of the membership committee, Harry A. Bayer, superintendent of claims, disability claim division Metropolitan Life, reported that the following 13 companies had joined the association the past year: Bankers National Life of Montclair; Crown Life, Toronto; Equitable Life of Washington, D. C.; Guaranty Life of Davenport; Independent Order of Foresters, Toronto; Lumbermen's Mutual Casualty; Northwestern Mutual Life; Ohio National Life; Oregon Mutual Life; Royal Arcanum, Boston; Royal Neighbors of America, Rock Island, Ill.; Union Cooperative of Washington, D. C. and United States Life.

George R. Kendall, president Health & Accident Underwriters Conference, was present and extended the greeting of his association. Dr. Eugene Russell, president, Association of Medical Directors, also extended the greetings of his association and bespoke continued cordial relations between the associations.

Gordon Gives Talk

The first paper of the meeting, "Say it with a Smile," was read by Harold R. Gordon, Chicago, executive secretary Health & Accident Underwriters Conference. Mr. Gordon expressed his appreciation of the action of the association last year in electing him to honorary membership. He said the man in the claim department of an accident and health company who writes letters to the company's claimants must be a good salesman. Every claim letter is a sales letter and if effectively written, will be an advertisement reaching many people. The job of maintaining good will is a difficult task in the disability field because of the human factor in that line of the business.

The second part of the program was under the leadership of Dr. William B. Smith, chairman medical committee and assistant medical director Connecticut Mutual Life. Dr. Smith introduced Dr. C. C. Birchard, chief medical officer Sun Life of Canada, and lecturer in medicine, McGill University, Montreal, who read an interesting paper on "Coronary Diseases in Claims." The paper was discussed by Dr. John C. Oille, assistant professor of medicine, University of Toronto, and Dr. Lloyd C. Miller, associate medical director, General American Life.

Program on Monday

The session Monday afternoon, under chairmanship of A. G. Fankhauser, was devoted to discussion of several topics which will come up for further discussion later. J. H. Wainwright, chief clerk claims department Canada Life, spoke on "Attending Physicians." Claims under policies limiting indemnity for non-confining total disability were discussed by W. C. Butterfield, chief adjuster National Casualty. C. O. Pauley, secretary Great Northern Life, Chicago, spoke on "Autopsies." In the absence of Lee Wilks, assistant secretary Lincoln National Life, his paper on "Lump Sum Settlements" was read by F. M. Lyon. "Surveillance" was the subject discussed by P. J. O'Connor, assistant secretary General American Life. The final discussion of the afternoon on "Termination of disabilities and claims with particular reference to cases requiring rehabilitation of claimants" was led by C. B. Hiron, eastern claim representative, Pacific Mutual Life, Chicago. The annual banquet was held Monday evening.

Metcalf Gives Report

President R. K. Metcalf, Connecticut General Life, confined his remarks to praise of the work of the various committees and called attention to the increase in number of member companies and to the publicity program of the press committee. Dr. C. C. Birchard, chief medical officer Sun Life of Canada, in his paper on "Coronary Thrombosis," declared that in recent years

there has been a tendency to overwork the term. He urged greater accuracy on the part of claim men in their use of medical terminology. Claimants whose predominant condition is classifiable as arteriosclerotic heart disease may be classified under several headings and, he pointed out, there is no single physical finding, whether it be clinical, by X-ray or in the electro-cardiograph, which constitutes within itself evidence that the patient is totally and permanently disabled. Physical findings, he said, are of value only insofar as they help one to estimate the need of therapeutic rest or the severity of disabling symptoms.

The real factors in estimating liability of carriers are chest pains, undue fatigue, restlessness and necessity for thorough therapeutic rest.

Basis for Disability

Dr. Birchard stated most companies recognize the necessity for therapeutic rest is a reasonable cause for initiation of and continuance of disability, and that the courts have a definite tendency to recognize that aspect of claims. However, it is seldom that therapeutic rest is necessary for more than a year, after an attack of coronary thrombosis. He said the only way to deal with questionable claims is to place the patient in well run, well equipped hospitals for careful observation and study by skillful internists who understand the tenor of the disability clause and who appreciate that physical condition, no matter how abnormal, is not necessarily grounds for paying disability benefits. The chief problem is to determine what are reasonable activities for such patients and perhaps a very careful examination by a consulting internist may be necessary if the claimant be unreasonable.

Outside Medical Men Best

Mr. Hiron advocated choosing medical men examining an assured on a problem claim case from outside the realm of company examiners. He pointed out that during the past few years many companies have been forced to pay disability claims on policyholders whose actual disability may have been more fancied than real. The usual procedure for examining these cases was not always satisfactory. For one thing, the company examiner did not always have the proper equipment, or his fee was not large enough to permit him to make as complete an examination as was advisable. Mr. Hiron told of how his company had established connections with outstanding specialists who, not being connected with the company, are able to give an unbiased report on any questionable case.

A leading internist affiliated with a highly respected diagnostic clinic is preferable, he said, and after being acquainted with the company's problem as to claim and policy provisions, he conducts an unbiased examination of the claimant. The consultant's fee allows him to make a more complete examination than could be made by the company examiner, the reports being made in emphatic terms and unbiased opinions rendered. Through this method the just claims may be detected from the unjust, and also the cases for rehabilitation. The just claimant is then high in his praise of a company willing to understand his case, while the unjust, fraudulent or malingerer case is declined with such emphasis that the assured and his advisers do not continue the case through litigation. Cases for rehabilitation definitely are detected, he said, and the majority are amenable to the reasoning of these medical men and adjusters.

The first art of the Tuesday session was devoted to two interesting and instructive papers. Herbert Adam, assistant vice-president and supervisor of claims Penn Mutual Life, had prepared



THE VERDICT!

A Heavy Judgment to Be Paid by the Property Owner

Under the ILLINOIS LIQUOR CONTROL ACT, the PROPERTY OWNER—whether an individual, corporation, trust organization or otherwise—having control of property in which liquor is sold, also the TAVERN KEEPER or Seller of liquor may be subjected to heavy judgments for Personal Injuries—Loss of Means of Support—Damage of Property of others.

The Real Estate and Personal Property of the Building Owner and Tenant may be sold to satisfy such judgments.

Do Any of Your Clients Own or Control Property in Which There is a Tavern?

Do They Know About This Law?

Send for full particulars—now!

A. F. SHAW & COMPANY, INC.
Insurance Exchange CHICAGO
WABASH 1068

AMERICAN Re-Insurance Co.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1935

CAPITAL	\$1,000,000.00
Surplus	4,044,784.57
Voluntary Catastrophe Reserve	500,000
Reserve for Losses	3,527,772.81
All Other Liabilities	1,407,161.92
TOTAL ASSETS	10,479,699.40

NOTE: Securities carried at \$690,943.75 in the above statement are deposited as required by law

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AMERICAN CASUALTY COMPANY

READING, PENNSYLVANIA

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Supporting the American Agency System ever since

Incorporated 1902

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THE ACCIDENT & HEALTH REVIEW

The only exclusive accident and health paper published.

It gives ideas and suggestions that help you sell income protection insurance.

Address your inquiry to A-1946, Insurance Exchange, Chicago

an exhaustive report on "recent and unusual decisions in accident, health and life insurance claims other than disability." So that there might be intelligent discussion of the paper, it had been sent in advance to members and was not read at the convention. Mr. Adam called particular attention to the case of *Griswold vs. Metropolitan Life*, decided by the supreme court of Vermont July 15, 1935, which contains one of the finest expositions on the law of "accidental means." The paper was discussed by P. J. Lane, associate counsel Boston Mutual Life; H. P. Gallaher, Mutual Life of New York and Ralph Heller, Prudential.

Disability Decisions Reviewed

R. W. Shackleford of Shackleford, Ivy, Farrior & Shannon, Tampa, Fla., spoke on "Recent and unusual disability decisions in accident, health and life insurance claims." Mr. Shackleford said there were several rules which had been adopted in the various states with regard to the interpretation of the phrase "total disability." Under the literal rule the insured must be unable to perform, not only the duties of his usual occupation, but the duties of any other occupation. The so-called liberal rule was the result of the opposition to the literal rule. Under the liberal rule by judicial fiat the phrase "engaging in any occupation" was declared to mean the same as performing any duty pertaining to the insured's occupation.

However, the vast majority of recent decisions refused to apply the liberal rule and adopted a so-called middle ground under which was held the mere inability of an insured to pursue his usual, prior or customary vocation is insufficient, that the mere fanciful ability to engage in some occupation wholly beyond the assured's normal capabilities will not preclude recovery and that the entire range of gainful pursuits is to be considered but in the light of the assured's age, training, experience, education as well as his physical and mental qualifications.

He said his review of the recent cases

led him to the belief that the courts are rapidly coming to a realization that unfounded judicial liberality in allowance of disability benefits has worked to the very serious detriment of the public by depriving a provident class of their only means of providing against a rainy day when their earning capacity may be cut off by sickness or injury.

Superintendent Pink of New York, spoke on "Arbitration and Claim Procedure." He said that a great many controversies which go before the courts can and should be adjusted without the delay and expense of a jury trial or even of a court without a jury. Most cases are settled and most settlements are good settlements. Arbitration is a step somewhere between a settlement and a trial. Under the law of New York and 12 other states it has been incorporated in the judicial structure and is just as binding as a court decision. In the development of arbitration there is involved more than the saving of money and the saving of time. The simplification of procedure makes for a more accurate appraisal of the dispute than the technicalities of court procedure permit.

The speaker stated that to his mind arbitration had broad significance in insurance and should be part of the general policy of claim procedure. It is expected to save time and money but it

is still more important as a force for mutual understanding and good will. Claim adjusters dealing with the claimants and the public make the reputation of insurance. The old feeling that companies grab as much as they can in premiums and pay as little as they can in claims is gradually disappearing. It is no advantage to the company to pay less than the claimant is justly entitled to. Neither is it any advantage to buy off fraudulent claims with nuisance value settlements. If arbitration is to be extended and developed in the insurance field it must be largely through enthusiastic support of claim adjusters, he said.

As chairman of the executive committee, Daniel J. Reidy, Guardian Life, presented a special report on laws in the various states relating to claim payments and penalties for delay.

John A. Millener, Rochester, general counsel Columbian Protective, called attention to a recent enactment in New York which makes it a misdemeanor to interview an injured person at a hospital, take a statement or release within 15 days of the accident unless sent for in writing five days before seeing the injured party. Immediately before the close of Tuesday's session, President Metcalf appointed the nominating committee with George B. Smith, Monarch Life, as chairman.

Qualifications in New Mexico Voted

(CONTINUED FROM PAGE 6)

Development office. Addresses were made by Rand Hill of Denver, fire companies adjustment bureau, and W. J. Kulp, manager Mountain States Inspection and Rating Bureau of Denver.

All members of the executive committee were present, including Postelle Cooper, Deming, president; Howell Ernest, Santa Fe, vice-president; Charles O'Hara, Anthony; George Fleming, Las Vegas; Manuel Lujan, Santa Fe; A. L. Hamilton, Tucumcari; A. E. Erickson, Albuquerque. Present at the executive meeting were Commissioner Biel of New Mexico and Arthur Dunbar of Omaha. A resolution was drawn recommending passage of the agents qualification law by the legislature. A subcommittee will propose a tri-state convention for Wyoming, Colorado and New Mexico at Denver next year. Also meeting the first day were George Anderman, Albuquerque; Carl Bishop, Santa Fe, and Durwood Jones, Clovis, comprising the legislative committee.

The association has doubled its membership since last year and has 90 agencies represented with more than 200 members, an all-time high. Finances are excellent. Virtually all companies are represented.

P. F. Kingsley, state agent Fireman's Fund, entertained the agents' group at breakfast Monday with R. L. Ellis presiding. Among guests were William Kulp of Denver, manager Mountain States Inspection & Rating Bureau, and Rand Hill of Denver, head of the Fire Companies Adjustment Bureau for the mountain states. Howard A. Reynolds of the Home of New York in Denver and Clarence Cobb and H. C. Stebbins of Cobb & Stebbins, Denver, also entertained. F. P. Canfield of Albuquerque is in charge of arrangements. The annual banquet was held Monday.

President Cooper's Views

President Postelle Cooper of Deming, concentrated in his annual address on qualifications. He said, there being no session of the legislature during his term, he conducted a membership campaign, visiting many agencies and selling the association idea. The purpose was to pave the way for the incoming administration.

"It is well recognized that when a man makes a failure of nearly any other business he then is a natural appointee as an insurance agent," he said. "This subjects our business to serious

criticism due to poorly explained coverages often improperly written and not offering the greatest possible protection at minimum cost for our assured. Ours is a business which no agent, however willing, can completely master in all detail.

"The present multiplicity of coverages awakens a feeling of helplessness when one tries to master them all. The present trend in all coverages is to broaden in protection with consequential increase in rate complications due to the necessity of writing all or any portion of the various forms of insurance offered.

Requires Much Training

"If it had not been for the indulgence of our companies there is not an insurance office in this state which would not have had unsettled losses due to the omission of permits or clauses, wrong locations given, or some other technical mistake. With fire insurance considered as the most simple of the forms of insurance written in the normal agent's office, it can readily be seen that this is no business where an agent may be appointed, given a few hours' oral instruction and then sent out to serve the public as a counselor and advisor on insurance matters. When we consider that agencies which have been in the business for years are still unable to avoid some mistakes creeping in, it can readily be seen the highly dangerous condition existing when no control is exerted in any way to see that sellers of insurance have proper knowledge of their business.

"It is high time that our business be recognized as a profession and one in which technical knowledge is required for the protection of the public. In no other field where the public is so vitally concerned, is it permissible to attempt to serve the public without any requirement as to ability or knowledge. Commissioner Biel expressed himself as being fully in accord with requirements to raise the insurance standards in New Mexico. Frederic Williams of the Rocky Mountain Fire Underwriters Association has been furnished a copy of this bill and it has his approval with the exception that he thinks the examination could safely be left to the insurance commissioner and that an examining board would be unwieldy and unnecessary as well as possibly causing favoritism or abuses to be exerted.

"The agents in no way intend to

interfere with the legitimate intention of anyone to enter the insurance profession. In fact what we want is simply for him to enter it seriously, make a study of the business, and when capable solicit as desired with full capability of properly serving the public. We have deliberately not set up too severe examination requirements as we realize that an agent in a very small community does not have the same need for complete knowledge of all lines as much as in the larger cities. We have no intent to attempt to stifle competition but simply to raise the standards of our profession."

Erroneous Impression Is Corrected by A. E. Spottke

An article relating to recent action of the Oklahoma Insurance Board on standard provisions for automobile liability policies created an erroneous impression, according to A. E. Spottke, manager automobile department, National Bureau of Casualty & Surety Underwriters, New York.

The article stated, "The board has adopted the contract recommended by the insurance division of the American Bar Association and this policy has been made the Oklahoma standard form for automobile liability and property damage and will be put into effect Oct. 1."

According to Mr. Spottke, actually, the board adopted the program of standard provisions developed by companies, members of the American Mutual Alliance and National Bureau, and used as their national policy program for automobile liability forms country-wide except in Massachusetts and Texas.

"While it is true that the automobile insurance committee of the bar association came out with an automobile liability policy following several meetings at which there was an opportunity between the members of the company committees and the bar committee to interchange views on this question, the policy of the bar committee is substantially the form originated by the company committees as this form stood some time before final action was taken by the companies," Mr. Spottke says. "The committee representing the companies spent considerable time in revising and improving the language of the standard provisions before the announcement of these provisions in their final form.

"So far as I know the policy of the bar committee is not being used by any of the companies although the standard provisions developed jointly by the members of the American Mutual Alliance and the National Bureau are the basis of the policies of a large majority of the companies writing the business. There is a complete understanding of this matter between the bar committee and the company committee and organizations because of the contacts which have taken place from time to time between these groups."

Louisiana Setup Works Hardship

NEW ORLEANS, Sept. 16.—A hardship will be worked on the casualty agents of Louisiana and especially those of New Orleans, where seven-eighths of this class of business originates, by the fact that the new Louisiana casualty commission will have its headquarters in Baton Rouge, to which all transactions must be sent for audit.

The Louisiana insurance commission, handling fire insurance business, is located in New Orleans, and action can be obtained by local agents almost instantly. With the casualty unit located in a distant city, at least a week must elapse before a transaction is ready for delivery to the client, to say nothing of postage. It has been suggested that the audit department at least be located in New Orleans and a memorial to that effect probably will be sent to Governor Leche.

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(CONTINUED FROM PAGE 45)

of all present employees, making the results available to the carrier assigned to that risk. The employer must, also at his own expense, provide for similar examinations of prospective employees, who cannot be employed until adjudged insurable by the carrier assigned. The employer must also agree to the option of the carrier regarding coinsurance.

An important question regarding the medical examination was raised by Mr. Angsten at this point. He pointed out that the matter of physical examination is a very touchy point with some employers in the state, and emphasized that there may be a few who will refuse to comply with this provision. In the coal mining industry, for instance, and in other industries which are highly organized as to labor, the industrial commission has for 20 years been unable to get satisfactory cooperation regarding medical examinations. For this reason, Mr. Angsten stated, the occupational disease act was of necessity silent on this provision. Inasmuch as such risks would be few in number, he urged that the companies adopt some method for handling them on a special basis. He said that if employers, who are not able to, or will not abide by this provision, are penalized by being refused insurance, they may be forced to go out of business or leave the state.

Mr. Fuller pointed out that the coal mining industry is not taken up under the National Council plan but he expressed the belief that the problem should not be of great importance as there would be few employers who would not qualify under this provision.

William Leslie, associate manager of the National Bureau of Casualty & Surety Underwriters, expressed the hope that there would not be many risks which could not meet this qualification. He pointed out, however, that examinations of present employees would be highly necessary for the protection of the carrier, as workers in some industries may already have contracted silicosis, asbestosis and other diseases. He said that in extreme cases direct negotiations with the employer would probably be the best method, but he expressed the conviction that the carrier assigned to a particular risk should have the right to decide its own procedure. He declared, however, that the terms and conditions as applying to the qualifications of an employer for insurance should be obvious and not subject to appeal.

Mr. Cronin suggested the companies make a final study of the underwriting rules and be prepared to make a report at the meeting this week. A committee representing the stock company group and the mutual companies was to get together for this purpose and be prepared with recommendations for any changes, if necessary.

Position of the Mutuals

The mutual companies were represented at the meeting by Ambrose B. Kelly of the American Mutual Alliance, Chicago. The position of these companies was set forth in a statement prepared and signed by 11 mutuals, which write 70 percent of the compensation business written by mutuals in the state at present. Mr. Kelly stated the mutuals in his belief would support the examination requirements as set forth in the National Council plan. The statement giving their position is as follows:

"The mutual casualty companies which are members of the National Association of Mutual Casualty Companies recognize the seriousness of the problems arising under the Illinois occupational disease act. They desire to cooperate in every reasonable manner with the Illinois Industrial Commission in making the administration of this law as effective as possible with the least disturbance to employers and employees. It is the intention of the mutual companies to provide coverage under this act to employers now insured by them who indicate a willing-

NEWS OF THE COMPANIES

Simplification Is Proposed

General Reinsurance Group Directors Approve Plan to Submit to Stockholders Oct. 14

Directors of the General Alliance Corporation and its subsidiary, General Reinsurance, approved a proposal designed to simplify corporate structure and effect operating economies. It will be submitted to stockholders Oct. 14. It contemplates dissolution of General Alliance and distribution to its stockholders of one share of General Reinsurance stock in exchange for each two shares of General Alliance held.

General Alliance has operated only as a holding company. Besides owning all stock except directors' qualifying shares of General Reinsurance, it owns directly 53 percent and indirectly, through General Reinsurance, an additional 42 percent, of capital stock of the North Star Fire, and controls Herbert Clough, Inc. If the plan is approved by stockholders of the two companies, General Alliance will turn over its holdings of North Star stock to General Reinsurance.

General Alliance Sept. 25 will pay a stock dividend to holders of record Sept. 15 amounting to one share of its stock for each 22 shares held, which will have the effect of bringing the outstanding capital stock up to the authorized amount of 400,000 shares. In case of fractional shares, cash will be paid at market price on the day of record, and no fractional shares will be issued. There are 200,000 shares of General Reinsurance stock authorized and outstanding.

The North Star board declared a dividend of \$4 a share on its 120,000 shares of capital stock, payable Oct. 16 to shareholders of record Oct. 15, contingent on the stockholders' authorization of completion of the reorganization plan and transfer of North Star stock held by General Alliance to General Reinsurance prior to Oct. 15.

This plan, according to Edgar H. Boles, who heads the group, besides simplifying corporate structure and effecting operating economies, should further strengthen financial position of General Reinsurance.

ness to cooperate in a reasonable manner in reduction and elimination of their occupational disease hazards. It is the purpose of the mutual companies in providing such coverage to avoid the unnecessary elimination of workmen from gainful employment.

"The mutual companies recognize the necessity of providing coverage under this act for every employer who is in good faith entitled to such insurance. To this end they will cooperate with other carriers in the plan developed by the National Council for the assignment of risks otherwise unable to secure coverage. The mutual companies believe the success of this plan requires a certain amount of uniformity in underwriting practice, which can best be secured through statutory rate regulation. The absence of such regulation may prejudice the eventual success of the voluntary assignment plan.

"In order to obtain the broad social objectives of the Illinois occupational disease act it is important that all interested parties act in the light of all the latest scientific data with reference to occupational disease. We suggest therefore that a conference be called by the industrial commission as soon as possible at which all phases of the problem will be reviewed by competent authorities. Such a conference will be of great value to the commission, to employers, to insurance carriers and to the medical profession."

Schulz Brothers Are Indicted

Officials of Des Moines Companies Face Federal Court Charges of Using the Mails to Defraud

DES MOINES, Sept. 16.—William Schulz, Jr., and Carl G. Schulz, former president and secretary respectively of the Union Mutual Casualty and Union Mutual Life of Des Moines, are scheduled to appear in federal court here Sept. 19 to answer indictments for using the mails to defraud.

The indictments allege the two brothers "entered into a scheme devised for obtaining money and property by means of false and fraudulent pretenses" involving "representations and promises in letters, circulars, pamphlets and advertisements" that the company owned and occupied a new home office and was issuing a standard, approved policy; that the two companies were under the supervision of the Iowa department and were operating under federal postal laws and regulations, and that both companies would pay all just claims promptly. The indictment alleges none of these statements were true. Most of the business of the companies was done by mail. Early this year a "reorganization" of the two companies occurred. Subsequently, with the Schulz brothers dropped from the list of officers, the life company was placed in receivership, with Commissioner Murphy as receiver, and later was reinsured by the Occidental Life of Los Angeles. The Union Mutual Casualty is reinsured by the Mid-West Casualty of Sioux City, without receivership.

American Casualty Meeting

READING, PA., Sept. 16.—The American Casualty held a sales meeting for its entire field force at the home office. A gratifying increase in volume of business for the company was announced. At the same time the announcement was made of the appointment of Arthur M. Jeffrey as special

agent to develop the territory adjacent to the home office. Mr. Jeffrey, whose home is in Scranton, has been with the Ocean Accident, the Travelers and the Employers Liability.

Seeks License in Wisconsin

Associated Indemnity Tests New Capital Requirements in Seeking to Reenter State

MADISON, WIS., Sept. 16.—An alternative writ of mandamus has been issued by Judge Hoppmann in Dane county circuit court here and served upon Commissioner Mortensen requiring him to show cause Sept. 19 why a Wisconsin license should not be issued to the Associated Indemnity of San Francisco. The action involves a construction of the Wisconsin statute that requires a large capital structure for insurance companies doing more than one kind of business in this state.

The Associated Indemnity, capitalized at \$400,000, was licensed to do business in Wisconsin from 1931 to 1934, but did not renew its license in 1935. It now desires to reenter Wisconsin to do a burglary, plate glass, automobile, casualty and employers' liability insurance business. Commissioner Mortensen denied the application for a 1936 license on the ground that the capital structure does not comply with the present Wisconsin credit statute which requires a stock insurance company to have an initial capital of \$200,000 to write a single line and an additional capital of \$100,000 for each additional line. Companies doing business in the state at the time the law was passed were not required to comply with the capital provision. The Associated Indemnity claims it comes within this exception through the license held prior to 1935. Several other companies are in the same situation and the decision is awaited with wide interest.

Seeks Arkansas License

An appeal has been filed in the Arkansas supreme court by Lloyds America of San Antonio, Tex., which was refused an Arkansas license by Commissioner Gentry, and was subsequently denied a mandamus by the circuit court



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at Little Rock. In its appeal, Lloyds America contends that its method of operation is similar to that of Lloyds of London, and seeks license to write workmen's compensation, automobile and general liability.

Commissioner Gentry stated the company was unable to meet the requirements cited in an act of 1874, requiring that a company, to obtain an Arkansas license, must have capital stock of \$100,000 and a minimum of one-half of this amount fully paid in cash.



New Century Home Office in New Chicago Quarters

The New Century Casualty of Chicago will move into new offices in A-2131-35 Insurance Exchange on or about Oct. 1. More than a third additional space has been taken to facilitate the handling of increased business.

Albert Kahn, president, has been at the head since organization in 1924. The New Century has made good progress.

This company always has been located in the Insurance Exchange. It operates in 18 states, including the District of Columbia, writing automobile and plate glass insurance exclusively. It is probably the largest writer of plate glass insurance in Illinois. It does not, however, write automobile insurance in Chicago and the Cook county territory.

Hardware Mutual's Surplus

The Hardware Mutual Casualty of Stevens Point calls attention to the fact that in the semi-annual statement filed with the Georgia department, its assets are \$8,546,112 and surplus \$1,250,507. It cites the fact that it puts up a guarantee fund of \$500,000 for the purpose of issuing a non-assessable contract in those states in which the law permits it. Therefore the \$500,000 should be added to the surplus so far as policyholders surplus is concerned.

Observes Silver Anniversary

WAUSAU, WIS., Sept. 16.—The Employers Mutual Liability, formed in Wausau 25 years ago, will celebrate its silver anniversary with a banquet Friday night. Besides 400 employees at the home office, more than 200 branch and field workers from midwestern states will attend. Commissioner Mortensen will speak. General and sectional meetings of field employees will be held.

Increases Its Capital

The Houston Casualty of Houston, Tex., has changed its name to the Houston Fire & Casualty owing to the increase in its charter powers to include the writing of fire lines. It has \$200,000 capital and \$26,400 surplus. It was organized by interests connected with the Southern Texas Cotton Oil Company.

Casualty Company Notes

The Pennsylvania Manufacturers Association Casualty has called a meeting for Sept. 29 to vote on increasing capital from \$250,000 to \$300,000.

The Service Insurance Association, a reciprocal at San Antonio, has been licensed to write automobile insurance in that state.

Paid Premiums in Travelers Accident Drive in Increase

The Travelers announced results of its supremacy campaign for new accident risks held April 6-June 27, with premiums payable to Aug. 24. Paid premiums exceed the total of a similar campaign held in connection with the 70th anniversary two years ago, showing improvement in business conditions.

Besides being a free-for-all contest among all accident agents, there were side contests between men in various cities. There was a contest between men who had been with the company less than a year, one, five, ten and 20 years. W. W. Baker of Miami, Fla., was top man. Leading branch offices were Chicago, Dallas, Jacksonville, Fla., Grand Rapids, Mich., and San Francisco, in the order named.

Must Cover Rented Autos

NEWARK, Sept. 16.—Owners of motor vehicles rented for funerals, weddings, outings and other affairs are now required to file with the city clerk in the municipality where they live liability insurance of \$5,000 for each automobile. Taxicabs and automobile buses are exempt because they are compelled to carry insurance under other laws.

Any owner who rents his automobile without complying with the law is guilty of a misdemeanor. Fine not exceeding \$1,000 or imprisonment not exceeding three years, or both, may be imposed.

WPA Talk in Des Moines

At this week's luncheon meeting of the Casualty & Surety Club of Des Moines, Rev. John W. Todd, assistant to the administrator, gave an "explanation of WPA."

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ASSETS

U. S. Treasury Bonds and Notes	\$1,390,291.54
Other Bonds	484,505.00
Stocks	137,543.87
Accrued Interest	16,519.07
Cash in Banks	<u>1,037,080.82</u>
	\$3,065,940.30

All Securities taken at Market Value January 22, 1936.

LIABILITIES

Voluntary Contingency Reserve	\$ 565,940.30
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	<u>1,650,000.00</u>
Surplus to Policy Holders	<u>2,500,000.00</u>
	\$3,065,940.30

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